

# HAND BOOK

ON

## Canadian Politics

ILLUSTRATIVE OF  
THE PROGRESSIVE ADMINISTRATION  
OF THE

# Liberal Government

Under the Leadership of the Right Honourable MR. WILFRID LAURIER, G.C.M.G.,  
D.C.L. (Oxon), K.C., M.P.

1896-1904

THE STORY OF A GOVERNMENT  
THAT DOES THINGS

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Sir Wilfrid Laurier is easily the first statesman of Greater Britain.—

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...ON...

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## LIBERAL GOVERNMENT

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### THE STORY OF A GOVERNMENT THAT DOES THINGS.

A greater degree of Progress has been made during the eight  
years of Liberal Administration than during  
the previous eighteen years of  
Conservative Rule.

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## INTRODUCTORY CHAPTER

# THE LIBERAL RECORD IN BRIEF.

"They have proved their faith in their heritage.  
By more than the word of the mouth."

Under Liberal rule, the seven years' record from 1896 has been marked by a degree of progress and prosperity never before known in Canada.

Under Liberal rule, a greater degree of progress has been made in seven years than was made during the previous eighteen years of Conservative Government.

Under Liberal rule, the basic principles of Responsible Government have been regarded.

Under Liberal rule, the farmers have never been so well-to-do, never so successful and contented.

Under Liberal rule, the manufacturers have never been so busy and prosperous.

Under Liberal rule, never were workmen so much in demand; never did they get better wages.

Under Liberal rule, the great west has been opened up as never before.

Under Liberal rule, the departmental administration has been conducted on business lines.

Under Liberal rule, the transportation problem of Canada has received special consideration.

Under Liberal rule, the finances of the country, have been ably and economically handled.

Under Liberal rule, a trade preference has been given to the Mother Country.

Under Liberal rule, taxation has been kept relatively low.

Under Liberal rule, not a single dollar has been added to the public debt.

Under Liberal rule, tariff reform has greatly contributed to the prosperity of the country.

Under Liberal rule, the revenue of Canada has increased by leaps and bounds.

Under Liberal rule, the banks have greatly increased their business.

Under Liberal rule, railway construction has been most active.

Under Liberal rule, the Post Office Department has been reformed.

Under Liberal rule, there has been a post office surplus.

Under Liberal rule, the Customs Department has been re-organized.

Under Liberal rule, never did Canada bulk so largely in the eyes of the Empire and the world.

Under Liberal rule, Canada has come to her own as never before.

Under Liberal rule, we have a united Canada from ocean to ocean.

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## CHAPTER I.

### WHAT ARE THE DUTIES OF A GOVERNMENT?

#### THE TESTS OF A SUCCESSFUL POLITICAL PARTY.

##### **The Record of the Liberal Government.**

At the outset, we would ask the reader what he thinks should be the essential aims and duties of the Federal Government? What tests are usually applied by the average elector when he is considering how he should cast his ballot? As we conceive it, the Government are generally expected—

(1) To do everything possible to promote the prosperity and welfare of the whole people.

(2) To administer our affairs economically, and to tax the people fairly and equitably, but not unduly.

(3) To develop the great resources of the country on sound principles, and towards that end, to promote immigration, and to provide transportation facilities.

(4) To insure peaceful and harmonious relations between the various elements of our population.

##### **The Answer: Yes.**

Only one word is needed to answer such queries: the word *yes*. Sir Richard Cartwright, in his speech on the Budget, on June 8, 1904, answered the question in a manner that admits of no contradiction:

It is a simple fact that the record of the Liberal party from 1897 to 1904, let hon. gentlemen say what they will, is not merely the best since Confederation, but it is the best in the commercial history of the world for the last seven years. (Cheers.) Sir, they have wiped out the reproach which for thirty years we have had to endure. It was said: You Canadians boast that you possess a magnificent territory, a territory of vast resources, a territory of unsurpassed fertility in great part, a

territory of great area, a country which is able to contain and support in prosperity fifty millions or one hundred millions of people, and yet you have only 3,000,000 of inhabitants and you have not been able to keep your people in your own territory. You have become little better than a mere breeding ground for the people of the United States. (Cheers.) For thirty years the record with which you were faced was that every third male adult between the age of eighteen and forty born and reared in Canada found his way into the United States and of immigrants that came into the country were only able to keep ten per cent. All that was true, all that was deplorably true, but I am glad to say that we have changed all that. (Great cheering.) \* \* \* What have the Liberal party done in the past? They have diminished taxes and increased revenue. (Applause). What have the Conservative party done in the past? They have increased taxes and reduced revenue. Their policy was tried for eighteen years, and you have seen in what that policy culminated.

##### **Proofs of a Country's Prosperity.**

##### **Sir Richard continued:**

There are, to my mind, three great indicia by which to judge the prosperity of a country like Canada. All others are relatively insignificant—I do not pretend to say they are not of importance in their way, but, in my judgment, they shrink into insignificance beside these three. The first of these indicia is: How rapidly is the population and occupation of new and large areas of land advancing in the country? Next, what is the growth of the volume of trade. Next, what is the growth of the revenue of the country? I will add a fourth, which applies more particularly to my own province of Ontario: What is the condition of the farmers? What is the condition of the agricultural class? How many chattel mortgages remain on their farms? How many mortgages have been paid off? How as to the value of their lands? Still more important: How as to the saleability of their lands? The question I put to hon. gentlemen on both sides of the House is this: Were the farmers of Canada ever, within the memory of living man—at least, since the Crimean war—as prosperous as they are today?" (Cheers).

## CHAPTER II.

## THE GOVERNMENT'S FINANCIAL RECORD.

## A WISE EXPENDITURE IS TRUE ECONOMY.

## How the Revenue has been Spent.

The Liberal Government has for its motto: A wise expenditure is true economy.

The Liberal Government deserves the confidence of the electorate on its financial record alone.

Hon. W. S. FIELDING: The lesser sum our predecessors expended was extravagance, because they did not have it to expend; the larger sum we have expended is economy because we have lived within our means.

## Twenty Concrete Financial Facts.

During the seven years the Liberals have been in power not a dollar has been added to the public debt—whereas the Conservatives, in their last seven years, added twenty-one millions.

The Conservatives added to the debt at the rate of six and a half millions a year for eighteen years.

In 1896, the public debt per head of the population was \$50.96—to-day it is \$46.31—a reduction of \$4.65.

The Liberal Government in the last seven years spent sixty-five millions on capital account for beneficial public works, as against thirty-seven millions spent by the Conservatives during the last seven years they were in office.

The Liberals spent nearly twice as much as the former Government, for the present and future good of the whole people, yet have added nothing to the public debt.

Out of the thirty-seven millions spent on capital by the Conservatives between 1889 and 1896—twenty-one millions were provided by additions to the debt.

The Liberals between 1896 and 1903 spent sixty-five millions on capital—yet not a dollar was added to the debt.

The ordinary revenue exceeded the ordinary expenditure in the seven years of Liberal Government by forty-one millions. During the previous seven years the excess revenue was only two millions.

Deficits to the amount of \$5,694,759 were recorded during the last three years of Conservative government.

Surpluses to the amount of fiftyseven millions were recorded from 1898 to 1904.

The revenue increased from thirty-six to sixty-six millions between 1896 and 1903—as compared with a reduction of two millions during the previous seven years.

The increased revenue was obtained without adding to the burdens of the people; on the contrary, taxation has been lowered. Custom duties are on the average 13 per cent. less than they were—postage rates for home letters and United States letters are one-third less, and for British letters over one-half less.

It is true the ordinary expenditure has been largely increased. No apology is offered, and none is necessary. Rather is it confidently believed that the financial record is worthy of approval and commendation. The Government have kept pace with the progress of the country.

You cannot fairly compare Canadian expenditure of to-day with that of seven years ago, without making allowance for the tremendous advancement the country has made.

In addition to all this, immense portions of the West and the Yukon have been opened up.

As a business man's expenses increase with the growth of his business—so do a nation's. You cannot clothe a man in boy's garments.

Ample return has been received for every dollar expended.

**Do not pass judgment on expenditures in the gross without scrutinizing the details.**

Through the efforts of the Government the country's securities were placed by the British Government on the highly favored trustee List in Great Britain, which comprises only the most gilt-edged investments—such as British consols.

### **Loans Matured and Treasury Bills Outstanding.**

The Minister of Finance, in his Budget speech of June 7, 1904, said:

During the past year we have had some loan operations, the nature of which should be stated to the House although they have been in part already communicated to the House.

On the 1st October, 1903, two of our sterling loans matured in London:

1. The Intercolonial guaranteed 4 per cent loan.....	£1,500,000
2. The 5 per cent Intercolonial un-guaranteed loan.....	500,000

The holders of these loans were paid in cash.

On the 1st November, 1903, the 4 per cent currency loan of 1883, which amounted to £2,781,000 on the 30th June, 1903, fell due in Canada. To the holders of this the government offered an extension for ten years at the rate of 3½ per cent. Advantage of this offer was taken by about one-half of the holdings—\$1,401,600—the balance being paid in cash.

On the 1st April, 1904, the 4 per cent Rupert's Land guaranteed loan of £300,000 fell due, and on the 1st May, 1904, the 4 per cent loan of 1874, of £4,000,000, matured.

The holders of the Rupert's Land loan were paid off in cash. In the case of the 4 per cent loan of 1874, a portion of it, £2,500,000, was extended for three years at the same rate of interest, with the option to the holders at any time prior to 30th April, 1906, to convert their holdings into 3 per cent stock due 1st July, 1938, on a basis of £105 of the 3 per cents for each £100 of the 4 per cents. This would be the equivalent of a 3 per cent loan at about £95 4s. 9d.

While our buoyant revenues have enabled us to meet these liabilities to a very large extent, we have not been able to meet them entirely.

At the present time we have outstanding treasury bills to the extent of £1,000,000 and that is the only temporary indebtedness we have. The treasury bills now outstanding were negotiated as follows:

	Per cent.
£400,000 due 6th October, 1904, at.....	3½
£145,000 due 6th October, 1904, at.....	3½
£400,000 due 7th November, 1904, at.....	3½
£ 55,000 due 7th November, 1904, at.....	2½

### **The Finance Minister on the Revenue.**

The Hon. Mr. Fielding, in his Budget speech of June 7, also dealt with the question of revenue, as follows:

My estimate for the revenue of 1902-3 was \$65,000,000. The actual revenue was \$66,037,068.93, an increase of revenue beyond my estimate of \$1,037,068.93.

The estimate of the expenditure proved to be a very close one:—\$51,650,000. The actual expenditure of the year was \$51,691,902.76, being an increase of expenditure over the amount which I ventured to speak of in my anticipations in the last budget to the extent of \$41,902.76.

I estimated that we would probably have on the operations of the year a surplus of \$13,350,000. The out-turn of the year gave us a surplus of \$14,345,166.17. The surplus thus was nearly \$1,000,000 more than the sum at which I placed it in the last budget speech. That surplus was the largest in the history of Canada.

### **Great Increase of Revenue.**

The revenue increased over 1902 by \$7,986,287.90, while the expenditure increased by \$932,510.79. Too often it happens in relation to the affairs of government and of public bodies charged with the administration of affairs that where you are blessed with an increase of revenue you also have a corresponding increase of expenditure, but we are happily able to point out that this is not the experience of this government in recent years, for in the figures which I have presented to you I have shown you that while in the year 1903 we increased our revenue by nearly \$8,000,000, we only increased our expenditure on consolidated fund account by \$932,510.79.

### **Fiscal Year Ending 30th June, 1903.**

	Actual.	Estimate.	Increase.
	\$ cts.	\$ cts.	\$ cts.
Revenue—			
	66,037,668 93	65,000,000, 00	1,037,068 93
Expenditure—			
	51,692,902 76	51,650,000 00	41,902 76
Surplus—			
	14,345,166 17	13,350,000 00	995,166 17

### **RECAPITULATION.**

Revenue underestimated by.....	\$ 1,037,068 93
Expenditure underestimated by.....	\$ 41,902 76
Surplus .....	\$ 14,345,166 17
Surplus estimated in Budget	
Speech, 1903 .....	\$ 13,350,000 00
Results better than estimate by...	\$ 995,166 17

I have a statement of the principal sources of revenue during the year from which it will be seen that there was a comfortable increase all along the line. It reads as follows:—

#### 4 Details of Revenue, 1903.

Service.	1901-2.		1902-3.		Increase.	
	\$	c.	\$	c.	\$	c.
Customs.....	32,191,978	47	37,001,726	90	4,809,748	43
Excise.....	11,197,133	40	12,013,779	00	816,645	60
Post Office.....	3,918,415	55	4,397,832	51	479,416	96
Railways.....	5,918,997	60	6,584,797	93	665,800	33
Dominion Lands.....	1,227,976	75	1,695,591	63	467,614	88
Miscellaneous.....	3,596,288	26	4,343,340	96	747,052	70
Total.....	58,050,790	03	66,037,068	93	7,986,278	90

The increase in the revenue of 1903 over 1902 is at the rate of 13½ per cent.

#### Sir Richard Cartwright on the Revenue.

Now, Sir, I come to an interesting point, a doubly interesting point, inasmuch as on it depends, to a very considerable extent, the justification of this government for proposing to you to engage in an enterprise that may well be supposed to tax the utmost resources of this country. I refer to the growth of revenue. The growth of our revenue during the past seven years has been far greater than it appears on the surface. Sir, the gross revenue is but an imperfect test. An increase in gross revenue may very well coincide with a loss of net revenue. The true test, and the test that I propose to apply is the growth of the net revenue in the last seven years. How stands the account to-day? It is a curious and instructive statement and for reasons which will presently appear, in order to make it more complete and perfect, I have gone back to the year 1871.

In 1871 the gross revenue of Canada was \$19,335,000, and what may be called the fixed charges, the charges for interest of debt, the subsidies to provinces, the sinking funds and collection of revenue, amounted to \$11,012,000, leaving a net revenue in 1871 of \$8,322,000 in round numbers.

The exact figures are as follows:—

Total revenue for 1871.....	\$19,335,560
Interest on debt.....	5,591,959
Subsidies to provinces.....	2,624,949
Sinking Fund.....	421,666
Collection of Revenue.....	2,374,114

Fixed charges..... \$11,012,688

In 1896 our gross revenue had increased to \$36,616,000, and our fixed charges of the same sort as those to which I have alluded had increased to \$26,333,000, without taking into account payments to Indians, which are chiefly a treaty obligation, and called for \$880,000 more.

In the twenty-five years from 1871 to 1896, therefore, the total net revenue of Canada, beginning at \$8,322,000 had merely increased \$1,000,000 to \$9,405,000.

Sir, how stands the case to-day? In 1903 the gross revenue of Canada had grown to \$66,037,000; the charges of a fixed character amounted, including payments to Indians, to \$33,400,000 in round numbers.

In other words, we had a net revenue of \$32,600,000 in 1903, as against a net revenue of \$9,400,000 in 1871 (Cheers).

The gain in our net revenue in those seven years amounted to \$23,000,000.

It is true our expenses had increased. Our gross expenses had increased \$14,000,000. Our gross revenue had increased \$30,000,000. Our net expenses, to which I shall come presently, had increased, \$7,000,000 and our net revenue \$23,000,000.

#### A Government of Surpluses.

Hon. W. S. Fielding, in his Budget speech of June 7th, 1904, said:

It has been my happy privilege to present from time to time statements of prosperous years in which we have had many surpluses; and I have thought that it would be well to summarize the surplus account during the eight years that this government has administered the public affairs of the country. In the year 1896-7, the first year that this government was in power—a year during which we had not full control of affairs, because we had taken largely the estimates of our predecessors—there was a deficit of \$519,981.44. That was the last deficit, the end of deficits so far as we had anything to do with them. We find, then, the statement for the eight years to be as follows:

#### Surpluses for the Eight Years, 1896-7 to 1903-4.

	Surplus.	Deficit.
1896-7.....	.....	\$19,981.44
1897-8 .....	1,722,712.33	.....
1898-9 .....	4,837.00	.....
1899-1900 .....	8,054,714.51	.....
1900-1 .....	5,648,333.29	.....
1901-2 .....	7,291,398.06	.....
1902-3 .....	14,345,166.17	.....
1903-4 (estimated) .....	26,500,000.00	.....
Total for eight years.....	58,400,073.36	\$19,981.44
Less deficit for 1896-7 .....	.....	519,981.44
Total net surplus for eight years.....	57,880,091.92	.....
Average surplus per year.....	7,235,011.49	.....

It was the good fortune of our predecessors in the eighteen years during which they managed the affairs of the country to have some surpluses and some deficits. Taking them together and striking the average, we find that during the eighteen years of their administration they had an average surplus of \$544,539, while during our eight years we have had an average surplus of \$7,235,011.49.

### Another Comparison re Surpluses.

It has long been the practice (indeed, since Confederation) in striking the balance of the annual national accounts, to set off the revenue against the ordinary expenditure — capital expenditure being treated as special. Judged by this standard, the Liberal showing is an exceptionally good one. During the seven years they have been in power there was a net surplus of revenue over ordinary expenditure of \$41,380,092. Contrast this with a net surplus of only \$1,937,410, during the last seven years under Conservatives.

The Liberals adopted a tariff for revenue, and it is quite apparent from these figures that they designed one that produced the desired results.

### A Fine Showing for 1903-4.

The returns as to the finances of the country for the fiscal year 1903-4 have not yet been completed, but the Hon. W. S. Fielding, Finance Minister, in his last Budget speech (June 7, 1904), was able, from data in his possession, to make very close estimates of the figures. He estimated that for the fiscal year ending June 30th, 1904, there would be a surplus of revenue over ordinary expenditure to the amount of \$16,500,000 — by far the largest surplus in the history of the country — and that after deducting the capital account expenditure, there would be left the sum of about \$7,500,000 to apply towards the reduction of the Public Debt.

### A Defence of Government Expenditures.

No part of the record of the Liberal Government appears in a more favorable light than that pertaining to the finances of the country, and the Liberals are justly proud of it. It will warrant the closest criticism and examination, and the more closely it is looked into the more clearly

will it be seen that the administration has been sound, progressive and business-like, and has redounded to the great advantage of the whole people.

The Conservatives in their criticism of the expenditure of the Liberal Government compare to-day with 1896, without making any allowance whatever for the improved conditions. They deliberately, and with political malice aforesought, close their eyes to the fact that the Canada of to-day, from the point of view of progress and prosperity, differs from the Canada of 1896 as light from darkness. They ignore the public records which tell a story of wonderful development all along the line, of astonishing expansion of trade and commerce, of new territory opened up, of great influx of immigrants and of abundant prosperity, and they calmly ask the people to blame the Government for extravagance.

Increased development, increased trade, increased developed territory, and increased population involve increased national expenditure. As a business man's expenses increase with the expansion of his business, so do a nation's. There are hundreds of business men in Canada to-day who are paying out for business expenses two or three times as much as they paid six years ago, yet no one would have the temerity to say that such additional expenditure is of itself conclusive evidence of incapacity or extravagance.

No attempt is made by the Government or their supporters to deny the fact that the expenditure of Canada has grown since 1896, but they claim that it has grown for good and proper purposes, and far from apologizing for it, they refer to it with pride, believing as they do that it has been one of the instrumentalities which has brought about the growth and progress we have witnessed in recent years. The expenditures have been liberal and prudent in the public interest, and they have done much to help the people generally. The Government kept pace with times, and has also made due provision for the future.

### An Examination of the Expenditure.

The expenditure on consolidated account (the ordinary annual expenditure)

increased from \$38,132,000 in 1895, to \$51,691,902 in 1903, an increase of \$13,559,897. The year 1895 is adopted for comparison for the reason that it was the last fair year's expenditure under the Conservatives. An election was expected in the year following, and with the object of making a good showing, and also to conceal an enormous deficit which was looming up, the estimates for that year (1896), except in regard to fixed charges, were purposely reduced. In short, the accounts were temporarily cooked. No provision was made for the expense of the annual drill of the militia, and as a result of the lack of drill for a year, the militia was badly demoralized. Another way in which the Conservatives temporarily reduced expenditure was by neglecting to make the necessary repairs to public works. Moreover, in many of the departments, the accounts for 1896 exceeded the Parliamentary appropriation, and the Liberals had to make good the deficits when they came into power. For these reasons we contend it is not only fair, but absolutely necessary for a proper consideration of the subject, to compare 1895 expenditure, instead of 1896, with that of 1903.

Under the head of Capital the Liberals spent in the last seven years \$64,885,608, as compared with \$37,082,642 expended during the last seven-year term of office of the Conservatives.

#### 6 Reasons for Increased Expenditures.

Now, if it could be shown that this increased expenditure has been met by imposing additional burdens in the shape of taxation on the people, or by unduly increasing the public debt, the Government might be fairly criticised, but the fact is, and it is worthy of very special consideration, that the increased expenditure, necessitated by the great development and progress of the country, has been met without increasing the rate of taxation, without imposing additional burdens on the people, and without increasing the public debt. On the contrary, the rate of customs taxation, which is the greatest source of revenue, has been, and is, considerably lower, postage rates are much smaller, and the public debt is less than it was in 1896.

The lower customs tariff produced large revenues, and enabled the Government to make liberal expenditures to keep pace with the advancement of the country, and to develop transportation and other facilities in the interests of our trade and commerce, without placing additional burdens on the population of to-day, and without laying up a store of obligations for future generations to meet. When the Conservatives were in office, their customs tariff bore heavily upon the people, yet was not designed to produce large revenues, and they were obliged to go into debt to pay for the public works they carried on.

## CHAPTER III.

### HOW THE MONEY HAS BEEN SPENT.

#### HONESTLY; WISELY; ECONOMICALLY.

##### A Detailed Account.

The increased revenue to meet the increased expenditures was obtained without adding to the burdens of the people. The next question that naturally suggests itself is, was the money wisely expended? To this the answer is most decidedly "Yes," and we further state that the expenditure has defied the criticism of the Opposition. Speaking in the House of Commons on October 21st, 1903, the Hon. W. S. Fielding, in reply to a motion of the Opposition condemning the increased expenditure, made the following pertinent remarks:

Hon. gentlemen opposite know that I am calling their attention to a simple truth when I say that in nine cases out of ten, when they rise to discuss some public expenditure it is for the purpose of asking that the Government do something on a more liberal scale than we have been doing in the past. We ask them, as we have done in the past, to point to anything that is wasteful or extravagant. They cannot do it. Usually the Public Accounts Committee is the body that investigates these things. I venture to say that never in the history of this Dominion was there such a farce as the meetings of the Public Accounts Committee during the present session. We could not get the hon. gentlemen (Opposition) to attend. They used to come and introduce a motion that somebody be summoned. They would give notice that they intended to move to enquire into something, but when the time came for them to make the motion, they would not be there, or they had not called the witness, or something else would happen, and really the thing became laughable in the end. The Public Accounts Committee adjourned, and there was practically no enquiry into the public accounts of the past year. Why? Not because hon. gentlemen opposite were not able, not because they were too generous to avoid an enquiry into the expenditures of the Government, but simply and solely because they found there was no ground for attacking the expenditures.

##### The Money Honestly Spent.

It might be justifiable to leave the Liberal case at that. The fact that the Opposition, who are in the best position to criticize, and whose duty indeed it is to

criticise, the finances, have been unable to point to, or prove, any wrong doing, is pretty strong testimony in behalf of the Government. But, while the Conservatives have been unable to prove wrong doing or extravagance, they have indulged in their usual wild talk, and their press has been filled with the most extravagant statements on general lines, with the intention of misleading the people. All their statements respecting the finances are based upon Canada as it was in their time. They pile up totals of expenditure and say, in their grandiose way, without stopping to scrutinize details, "Look at the extravagance of these Grits. Isn't it awful?"

##### The Money Wisely Spent.

The object of this chapter will be to point out the salient causes for the increases in the main, without burdening the reader with too much detail.

The ordinary annual expenditure had been increased in 1903 by \$13,559,897 over 1895. We propose to show that a large portion of this increase was brought about and absolutely necessitated by increased business; that a large part of it was counterbalanced by increased revenue; that a considerable portion of it was due to increase of population and to the development of new territory; that some of it was due to increase in the price of supplies and labor, and that on the whole an ample return or benefit has been received or has accrued for every dollar expended.

##### The Post Office Department.

To commence with, let us take the Post office Department. The expenditure for the two years stated was as follows:

1903 .....	\$4,105,178
1895 .....	3,593,647
Increase, 1903.....	\$ 511,531

The sole reason for this is increase of business, which is proven by the expansion of revenue, the large increase in the volume of mail matter handled, the increase in the number of post offices and money order offices, and development of postal facilities generally.

But, while there was an increase of half a million dollars in the expenditures, there was a very much larger increase of revenue, notwithstanding decreased postage rates. In 1895 the revenue of the department was \$2,792,789, whereas in 1903 it was \$4,397,832.

Last session the Postmaster-General was able to make the gratifying announcement to Parliament that the departmental finances for the year ending June, 1903, showed a surplus of \$292,702 over all expenses.

#### Customs Department.

Next look at the Customs Department:  
Expenditure, 1903 ..... \$1,229,18  
Expenditure, 1905 ..... 917,632

Increase, 1903 ..... \$ 311,396

This is an increase of 34 per cent., but for the corresponding period the customs returns increased by 108 per cent.

Gross revenue, 1903 ..... \$37,110,354  
Gross revenue, 1895 ..... 17,887,269

Increase, 1903 ..... \$19,223,085

The only fair way to test the financial administration of this department is by a comparison of the percentage cost of collection. In 1895 it cost \$5.13 to collect every \$100 of customs duties, whereas last year it only cost \$3.31 per \$100.

The department has to-day twice the work to perform that was done in 1895, and it will be apparent, therefore, that increased expenditure was necessary. The reader is referred to the chapter on the Customs Department for more detailed information.

#### The Intercolonial Railway.

About one-fourth of the total increase of expenditure for all purposes, under the Liberals, is represented by increased expenses of the Intercolonial, due to the doubling up of traffic and business generally. In 1895 the working expenses amounted to \$2,936,902, whereas in 1903

they had jumped to \$6,196,653, an increase of \$3,259,751. The increased earnings, however, more than compensated us, the revenue in 1903 being \$3,383,666 in excess of that of 1895. Last year the road showed a surplus of \$127,670, and for the year previous one of \$96,822. The following figures illustrate the increase in the business handled:

Passengers carried:      Tons of freight carried:

1903 ... 2,404,230	2,790,737
1895 ... 1,352,667	1,276,816

It is a self-evident proposition that as the business of a railroad increases its expenses also increases.

Sinking Fund charges for the two years under comparison were:

1903 ...	\$2,620,588
1895 ...	\$2,002,311

Increase ..... \$ 618,277

As most people know, this account is in the nature of a cross entry, representing, as it does, money set apart to meet the Public Debt. It cannot, therefore, be classed as an expenditure in the ordinary sense.

#### The Yukon.

For the government of Yukon Provincial District last year the sum of \$782,806 was expended. In 1895 there was no corresponding expenditure. Last year a further sum of over a million dollars was spent in the District for services of various departments, such as Customs, Post Offices, Mounted Police, Interior, Public Works and Justice. Since the gold rush began the total sum of about eight and a half millions has been spent on ordinary account, but in return there has been revenue from the District to the amount of nine and a half millions. On capital account about two millions were expended during the period.

#### Interest on the Public Debt.

Interest on the Public Debt paid in 1903 was \$11,068,139, and in 1895, \$10,466,294, or an increase last year of \$601,845. But it should be carefully noted that, during the same period, the interest we received from investments increased by \$684,907. The Finance Minister, in the House of Commons, on October 21st last,

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estimated that there would be a reduction in the interest charge, of \$440,990, on the operations of the current fiscal year. He arrived at this amount by calculating upon a decrease of \$177,727, for payments for interest, and an increase of \$263,263, in receipts of interest from investments.

### The Agricultural Department.

is responsible for an increase of \$488,282, under the heads—Arts, Agriculture, Statistics and Quarantine, but the extra amount has been expended for very beneficial purposes. Of the increase stated \$150,000 represents increased expenditure for the promotion of agricultural and dairy interests, including Experimental Farm expense. The amount spent for such purposes in 1903 being \$300,000, as against only \$150,000 in 1895. Under the Conservatives the assistance to these interests consisted chiefly in advances for the purchase of butter for export, and for winter dairying, and in providing for the administrative staff, the members of which went about the country lecturing. The present Minister of Agriculture has gone further than his predecessors, and has instituted many new and improved methods to aid the agricultural community that are more fully referred to in a succeeding chapter.

In 1895 the sum of \$22,000 was spent under the head of cattle quarantine. Last year the expenditure was \$110,000. As an incident in the vigorous campaign of the Department toward stamping out hog cholera, \$43,000 was paid as the compensation for the slaughter of infected hogs. Last year the Quarantine Branch was successful in preventing the spread to Canada of the dreaded foot and mouth disease, which broke out so near us as the States of Maine and New Hampshire.

For human quarantine there was an additional expenditure of about \$70,000, due to strenuous measures taken to guard the country against the introduction of smallpox.

An extra expenditure of \$60,000 was incurred for exhibitions. Money spent for these purposes is wisely expended—provided the exhibits and displays and management thereof be creditable. In

these respects it is generally conceded that the country put its best foot forward. In this connection the appointment of Mr. Wm. Hutchinson, Ex.-M.P., of Ottawa, as permanent Exhibition Commissioner, is admitted by all to be a capital move.

For the Census there was an expenditure last year of \$106,000. There was no corresponding expenditure in 1895.

Fumigating Stations on account of the San Jose Scale cost \$3,209. For printing and distributing reports and bulletins of Experimental Farm, an expense of \$7,000 was incurred; \$5,550 for the classification of Patents (a new service).

### Administration of Justice.

The Administration of Justice cost last year \$959,948, as against \$755,682 in 1895, an increase of \$204,266. Of this increase \$120,000 is accounted for by Yukon expenditure, which is entirely new.

The salaries of judges appointed in all the provinces, and increase of administrative work in the N.W.T. account for the balance of the extra expenditure. If the Conservatives had had their way last session, future expenditure under this head would be largely increased. Without exception almost they advocated the payment of much higher salaries all round to the judges.

### Subsidies to Provinces.

Subsidies to Provinces amounted last year to \$4,402,302, an increase of \$151,-, 828. The details are:

Increase to Prince Edward Is.....	\$28,921
Increase to Manitoba.....	50,734
Increase to British Columbia.....	64,387
Increase to New Brunswick.....	7,793

### Legislation.

Under the head of Legislation there was a decrease in 1903 of \$152,366 as compared with 1895. This is due in part to the fact that the last session of Parliament extended beyond the last fiscal year, which ended on June 30th, and part of the expenditure connected therewith will therefore go into the current fiscal year's accounts. If the last session had been a normal one, the total expenditure for legislation last year would have been

about \$40,000 or \$50,000 in excess of 1895. When we take into consideration the fact that the sessional indemnity of members and senators was increased with the approval of all of them from \$1,000 to \$1,500, it will be seen that the increase on the whole is very small. A very great saving was effected by abolishing the Franchise Act, with its cumbrous and expensive machinery.

#### Marine and Fisheries Department.

The improvements in this department have cost money, and a good deal of it, but it is a fact that, outside of picayune criticism as respects supplies, very little real objection has been offered in Parliament by the Conservatives to the additional expenditures that have been incurred.

Under the two heads, Ocean and River Service and Lighthouse and Coast Service, the expenditure increased from \$680,995, in 1895, to \$1,381,280 in 1903, or an increase of \$700,285. Of this increase, \$305,165 represents an extra expenditure for the construction of Lighthouses. The money spent for this purpose in 1895 was only \$12,219. The salaries and allowances of Lighthouse Keepers increased by nearly \$23,000, due chiefly to the increase in the number of Lighthouses. Maintenance and repairs to Lighthouses also cost \$64,250 more. Last year \$80,000 was expended towards the construction and equipment of a steel Light-ship, made in Canada, for Lurchers Shoals, a most dangerous place for navigation. Over \$100,000 more expense was incurred last year for Dominion steamers. In recent years our fleet has been added to by three first-class large vessels, and a number of small ones. The sum of \$90,465 was spent last year in payment of the balance of the contract for a new steamer to replace the "Newfield."

Rewards for life saving were increased from \$6,591 in 1895 to \$9,306 in 1903. Salaries of necessary extra officials at Ottawa amounted to about \$7,000, and \$5,273 were expended in connection with Montreal Pilotage Commission Court, and Montreal Dry Dock Commission. Tidal Service cost \$3,012 more, and Cattle Shipment Inspection (a new service) cost \$3,026. Minor services account for the balance of the increase.

#### A Number of Items.

For immigration last year \$447,261 more was expended than in 1895, and we need only cite the great influx of settlers to the North-West as evidence of the wisdom of the expenditure.

The greatly increased development of the North-West has necessitated larger grants towards the Local Government. Under this head last year \$802,466 was spent as compared with \$303,626 in 1895.

The militia accounts for an increase of \$388,996, which is due to increase in the strength and efficiency of the forces.

For the Mounted Police the additional expenditure last year was \$343,909 over 1895; but when it is explained that \$590,702 was spent for service in the Yukon for which there was no corresponding expenditure in 1895, it will be seen that there was an actual decrease in 1903 against 1895 comparing service with service.

For the Fisheries the expenditure in 1895 was \$443,822, as compared with \$527,829 last year. An increase last year of \$84,007. Of this increase \$37,610 represents expenditure for Fish Breeding, very special attention having been devoted to this branch of the work. \$11,331 was expended for cold storage for bait for the deep sea fishermen, a new and admirable service instituted by the Liberals, which has been very much appreciated by the fishermen of the Maritime Provinces. The sum of \$23,695 was paid as the balance for a patrol vessel in the waters of British Columbia for the protection of the Fisheries. This is another new service. The balance of the increase is accounted for by legitimate increased expense for Fishery Overseers, and Inspectors, and vessels.

#### Inspection of Staples.

Inspection of Staples cost last year \$66,261 as compared with \$2,354 in 1895. The reasons are new and improved methods, and greatly increased efficiency in the public interest. In 1895 the expenses incurred were for the different standard Boards in connection with the selection of grain and flour samples. There were no salaried officers then. Today there is a Chief Inspector of hides, an Inspector of binder twine, two Chief

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Inspectors and several Inspectors and Deputy Inspectors of grain, a Warehouse Commissioner at Winnipeg, and various other officials in connection with grain inspection.

#### Mail Subsidies, Etc.

##### Mail Subsidies and Steamship Subventions.—

1903.....	\$799,285
1895.....	513,268
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Increase, 1903..... \$286,017

In 1895 there were eighteen subsidized steamship services, to-day there are thirty or more. Among the principle new services may be mentioned:—

Winter Steamship Service, St. John, N.B., to Glasgow, Belfast and Dublin.

Summer Steamship Service, Montreal and Quebec to Manchester.

Winter Steamship Service, Halifax and St. John to Manchester.

Canadian Atlantic Ports to South Africa.

Recently a line between Atlantic Ports and France was assisted.

Increase of business and demands from out-lying districts also led to additional local service.

Under the head of

#### Civil Government,

(at headquarters), the expenditure increased for the period under review \$132,564. When we consider the great expansion of the work devolving upon the Civil Service consequent upon the development of the country, the increase is most reasonable. The Conservatives during their term of office up to 1895 increased the expenditure under this head at the rate of \$35,000 a year:—The increase per annum under the Liberals has been only about \$20,000.

For the

#### Indians

there was an increased expense of \$122,412, due, first, to the extension of Educational facilities—and secondly, to large outlays for relief, seed grain, medical attention and medicine. Special attention has been directed by the Government to-

wards the education of young Indians, in furtherance of the policy to make the Indian population self-supporting.

#### Superannuation.

Expenditure, 1903 .....	\$346,418
Expenditure, 1895.....	265,385
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Increase..... \$ 81,033

In this connection it should be particularly noted that the Liberal Government abolished the Superannuation Act, so far as appointments to the Civil Service after July 1st, 1898, are concerned. This will be a great saving to the country in future years. The Liberals substituted for the Superannuation Act a Retirement Fund, which is absolutely self-sustaining and will not cost the country a penny.

#### Dominion Lands.

Expenditure 1903.....	\$186,355
Expenditure, 1895.....	129,727
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Increase, 1903 .....

Compared with the increase in the volume of the work devolving upon the Branch, and the extra revenue derived therefrom, the additional expenditure is very small, and the proportionate cost is less to-day than it ever was.

The revenue in 1895 was \$167,869, whereas last year it was \$1,15,591. In 1903 the homestead entries amounted to 31,383 as against only 3,030 in 1895.

A large number of extra clerks had to be employed to cope with the work, and over thirty sub-agencies were established for the convenience of settlers.

The expense for collecting the

#### Excise Duties

increased by about \$7,000, but the percentage cost decreased from 5 per cent. in 1895 to 3½ per cent. in 1903.

The expenditure for Weights and Measures and Gas and Electric Light inspection increased from \$98,173 in 1895 to \$121,575 in 1903. Increased business and particularly the extension of electric lighting systems is the cause of this, and the additional expense is more than justified by the additional revenue. The revenue in 1895 was \$56,866, and in 1903 \$113,300.

Dominion Police account for about \$6,000 additional, due to the appointment of more men.

Increase in business and in the number of Insurance Companies is the cause of an extra expense of \$4,930 for insurance superintendence. The fees obtained from this service practically recoup the country for the expenditure.

#### Miscellaneous.

Under the head of Miscellaneous, the expenditure for the two years under consideration was:—

1903.....	\$528,231
1895.....	217,210

Increase, 1903..... \$311,021

The expenditures classed under this item are variable, and a comparison of totals is therefore valueless. The following are the principle items comprising the total for 1903:—

Plant for Printing Bureau.....	\$30,922
Boundary Survey.....	47,911
Astronomical Observatory .....	10,497
Maintenance Assay Office at Vancouver.....	14,993
Peterson, Tate & Co., return of deposit re Fast Atlantic Service .....	56,940
Engraving new Maps of the Dominion, etc.....	14,096
Department of Labour.....	20,471
Canadian South African Memorial	6,000
Marconi Wireless Telegraph Station.....	10,000
Ottawa Improvement Commission	60,000
Consolidated Dominion Statutes..	12,722
Alaska Boundary Commission...	59,993
Royal Commission Industrial Disputes, British Columbia.	8,481
Miscellaneous Printing.....	45,416

As will be observed most of these are new services or considerations. The only question for thought is, Were the expenditures wise?

#### Capital Expenditure.

We turn now to the Capital Expenditure. As previously explained, this has been on a liberal scale. For the seven years, 1897 to 1903, inclusive, the expenditure on capital and special accounts was

\$64,885,608, as compared with \$37,082,-643 during the previous seven years under the Conservatives. But while there was this increased expenditure under the Liberals, the people have not felt it nearly as much as they did the smaller capital expenditure in Conservative days. As we have previously stated, the Conservatives in their last seven years term of office spent thirty-seven millions on capital account, and it should be carefully noted that twenty-one millions of this amount were added to the public debt. On the other hand, the Liberals spent sixty-five millions on capital account, and yet have not added a dollar to the public debt.

#### The Capital Expenditure of the Public Works Department.

in the seven years' period under review totalled \$6,445,766. Of this amount \$2,638,311 were spent on improvement of the River St. Lawrence, chiefly below Montreal, the object being to provide a clear, deep channel down the river to Quebec, and to make the route as safe and navigable as possible.

Improvements were effected in the harbor of Montreal to the amount of \$503,-535, in addition to the improvements made by the Harbor Commissioners who are assisted by the Government.

There was expended on extensive breakwater works now in process of construction at Port Colborne harbor—the entrance to the Welland Canal and a most important shipping point—the sum of \$447,440.

In the Yukon \$1,940,310 were spent in the construction of public buildings, trails, roads, bridges and telegraph lines. A telegraph line was constructed connecting the Yukon with the older parts of Canada.

In consequence largely of the fire in the winter of 1896-7, which destroyed a portion of the Government buildings at Ottawa, there was a heavy expenditure under the head of Ottawa Government buildings, the amount being \$457,574.

Improvements at St. Andrew's Rapids cost \$94,350, and for the Levis Graving Dock there was a charge of \$96,592.

With the object of enabling vessels to get easier access to the elevators at Fort William and Port Arthur, considerable sums were spent.

### The St. Lawrence Canals.

The total sum of \$18,394,220 was expended in developing and completing our canal system. The details are as follows:

Lachine Canal.....	\$ 1,055,192
Ottawa River.....	155,580
Rideau Canal.....	13,470
St. Lawrence River and Canals.....	12,875,142
Sault Ste. Marie Canal.....	833,453
Trent Canal.....	2,596,573
Welland Canal .....	864,804

### Some General Matters.

The South African Contingent, and the manning of the Halifax garrison represent a total capital expenditure to date of \$2,834,516.

For Railway Subsidies, there were spent during the seven years \$11,828,321, including about three and a half millions granted as a subsidy to secure the construction of the Crow's Nest Pass Railway, which developed the Kootenay District.

Bounties on Iron and Steel account for \$2,190,342.

Under the head of Dominion Lands, \$1,659,040 was spent entirely for surveys of new Districts.

The Militia accounts for \$2,402,171, which was expended for the following purposes:—Equipment of the force with the Lee-Enfield Rifle; Batteries of Field Artillery, Siege Guns and Ammunition.

An allowance of \$267,029 was granted to Manitoba on account of School Lands.

Consolidated Fund, Transfers and Discount, and Expenses of Loan of 1897 amount to \$1,847,908, but these are in the nature of cross entries, and are, therefore, not important considerations.

### Intercolonial Railway.

On these Government owned railways there was a capital expenditure for the seven years amounting to \$16,974,203. The principal items of this total are as follows:

Rolling Stock .....	\$5,437,451
Steel Rails and Fastenings.....	1,188,330

Increased accommodation at important places like Halifax, St. John, Moncton, Levis, Pictou and Sydney .. 2,205,456

Strengthening Bridges and building new ones.....	795,40
Enlargement of Old and Construction of New Engine Houses.....	367,471
Elevators, St. John and Halifax .....	283,015
Improved Ferry Service, Straits of Canso.....	627,450
Construction, Branches and Extensions.....	238,074
Purchase Drummond County Railway .....	1,463,000
Award of Arbitrators re Eastern Extension Rail- way .....	957,711
Prince Edward Island Rail- way, including Murray River Branch.....	1,678,674

### Conservative Opposition to Expenditure.

The Finance Minister, in his speech delivered in the House of Commons on August 3rd, 1904, dealt forcefully with the Conservative opposition to Government expenditures.

Have these hon. gentlemen opposite, who are now the advocates of economy, made one proposition for the reduction of taxation? Have they made one proposition for the reduction of expenditure? If you searched with a microscope the records of this session you might find some place where they asked to strike out a dollar and a half, but I do not think you could find any considerable amount which they have asked to be struck out. I cannot at the moment recall any motion in which they have proposed to strike out of the estimates during the present session any sum of money. If they have made some motion of that kind, I venture to say the amount involved was very small.

Mr. Taylor. Was the hon. gentleman here the other night when a motion was made to strike out \$60,000?

Mr. Fielding. Did the hon. gentleman divide the committee on the question of striking that out of the estimates?

Mr. Taylor. Yes.

### Only \$60,000 Objected to.

Mr. Fielding. Well, then, I am willing to be corrected to the extent of \$60,000. Then let it be known throughout the length and breadth of the land that out of this enormously large appropriation, which hon. gentlemen place anywhere at from \$200,000,000 to \$350,000,000 per annum, they did, on one occasion, move to strike out \$60,000. I want them to receive credit for that, and I trust that none of our friends will hereafter make that statement, but will recognize the fact that to the extent of

more than ninety-nine per cent. of these estimates they are allowed to go without challenge, and that only a fraction of one per cent., a very fragmentary amount as compared with the whole, is challenged. For every case in which my hon. friends opposite can show that they proposed to reduce a single dollar of the expenditure, we will show proposals to increase the expenditure of the country by \$10 coming from the other side of the House. We have found again and again, on the part of the hon. gentlemen opposite, demands for increased expenditures.

### The Public Accounts Committee

In the days of the Conservative Government, the Public Accounts Committee was one of the most important, for there was unearthed many of the scandals that finally led to their defeat. Under Liberal rule the meetings of that Committee have resolved themselves into a farce. The Conservative members of it could not be got to attend with any degree of regularity, and they accomplished absolutely nothing. They, however, recognized the fairness and impartiality shown by the Liberal Chairman of the Committee, and passed him a vote of acknowledgment, together with thanks. There have been no scandals, financial or otherwise, under Liberal rule.

### Opposition Proposals for Increased Expenditures.

We are constantly reminded, continued Mr. Fielding, in his speech of August 3, 1904, in the criticism of the estimates that in some part of the public service there is need of a larger expenditure. My hon. friend from Pictou (Mr. Bell) did me the courtesy of handing me yesterday afternoon a copy of his motion. He handed it to me during a friendly conversation we had in the corridor. I came into the House five minutes after I had obtained this motion of my hon. friend, and I heard one of the chief lieutenants of the opposition standing in his place opposite me denouncing the government for not spending more money on the militia of the country. I heard him say with scorn and indignation that we were only spending thirty-seven cents per head of the population on the militia of the country, and that there were only two other countries that were spending so little—Corea and Costa Rica. My hon. friend from Pictou, when dealing with this resolution, had conveniently forgotten that the echoes of the voice of my hon. friend from North Victoria (Mr. Sam. Hughes) had hardly left the room, wherein he demanded that we should expend larger sums on the militia. These hon. gentlemen, on a general vote, condemn our expenditures, but again and again their voices are

loudest in demanding that we shall increase our expenditure. I see my general friend from South Lanark (Mr. Haggart) sitting opposite me. He is going to vote for this resolution declaring that we are spending too much money, but my hon. friend accompanied a deputation the other day to this government to demand a new expenditure upon a great public work which is estimated to cost \$100,000,000.

An hon. Member. He will not vote for this motion.

Mr. Fielding. My hon. friend may vote for it, because he is a good party man, but I know what his opinion would be. Hon. gentlemen opposite, though it may be to a lesser degree and in respect to smaller sums, are constantly demanding that this government shall make further appropriations. Again and again these demands have been made. I remember a year ago, when making a similar speech, I had occasion to remind one of my hon. friends opposite that his chief grievance was that we would not spend a great deal of money in sending out an expedition to search for the North Pole, and we were condemned for not doing it. All along the line there have been demands for increased expenditure, and hon. gentlemen opposite are not able, except in the one case to which the hon. member for Leeds has referred, to challenge the propriety of any of these expenditures.

### Government Bonds Highly Favored in Great Britain.

Through the efforts of the Government, Canadian Government securities were placed by the British Government on the "Trustee List" in Great Britain, which comprises only the most gilt-edged invest-

ments, such as British Consols, &c. The advantage to Canada through this will be , when it is explained that the difference between the selling price of a security admitted to the Trustee List and one excluded from it, is from two to three points in a hundred. The advantage to Canada in the next ten years will not be less than  $2\frac{1}{2}$  million dollars.

The fact that the Canadian Government securities were admitted to the most favored list in the British money market has no doubt operated, and will continue to operate, advantageously to Canadian business securities offered for sale in Britain.

The Opposition, by the way, long coveted this favor, and seriously attempted to secure it, but without success. Moral: Different methods produce different results.

### Government Loans Fluctuated at Two and a Half Per Cent.

In 1897, the Government for the first time in the history of the country succeeded in placing a Loan in Great Britain—the world's money centre—at  $2\frac{1}{2}$  per cent. interest. The lowest rate previously obtained was 3 per cent. This

Loan was sold at very good figures, the net result being an actual rate of interest of 7-8 per cent. on the purchase price. Compare this with a net rate of 3 1-6 per cent. under the Conservative regime.

It will be apparent to everyone, that when a country's credit is raised, it operates beneficially to its business interests.

## CHAPTER IV.

## THE QUESTION OF TAXATION.

## NO INCREASE OF ITS BURDEN UNDER LIBERAL RULE.

## Revenue and Taxation.

The matter of taxation is one that comes closely home to every citizen, and the latter has the right to expect and demand that the Government in power shall not unduly add thereto. The Liberal Government can confidently claim that no undue increase of the burden of taxation has been brought about under their regime.

In this connection, the following quotations are made from the speech of the Minister of Finance, delivered in the House of Commons on August 3rd, 1904:

It is worth while bearing in mind that the large revenue which we are constantly enjoying is not received entirely from taxes. We receive besides what are called taxes, that is the customs and excise duties, very considerable sums from other sources, and it is an interesting fact that the proportion of our revenue which we are taking from the people to-day by way of taxes is smaller than it was a few years ago. In 1890 the taxes collected were 79.21 cent. of the revenue. In 1896 the taxes were 75.81 of the revenue. In 1903, the last year for which we have exact figures, the taxes were 74.22 per cent., of the revenue, which goes to show. He then elects out of his greater property to large returns in other branches which are not to be regarded as taxation. That which we receive from the post office and railways and public works is not, in the ordinary sense of the word, taxation, but payments for services rendered, and the figures show that we are getting a larger percentage of our revenues from these other sources than our predecessors obtained.

## Another Evidence of Our Prosperity.

Then it is not for a moment to be presumed that increased amount of taxation means an increased burden on the people, or an evidence that the country is suffering any serious disadvantage. An increase in the rate of taxation would be a burden to the people, but the fatal error of the figures of my hon. friend is that he deals only with the amount of the taxation of the country. If the people were poor, as in 1896, if they were not able to buy the goods which they desire, the amount of taxation that

would be paid would be much lower than it is now. But the enlarged taxation to which he refers, that is the enlargement of the volume of taxation or the amount of revenue collected is one of the evidences of the growth and progress of this country.

Up to a certain point a man is obliged to pay taxes. A man must up to the point of a reasonable living expense, pay the taxes on the things he consumes, but when you pass that point, which I suppose is not the same with different people, one man's needs not being the same as another's, the man becomes his own assessor; he taxes himself pretty much as he wishes. He then elects out of his greater property to buy many things which he otherwise would not buy. He indulges in greater comforts, in luxuries, and he does this with the knowledge that he must contribute to the revenue of the country. Now since he is his own assessor, the increased taxes he pays, instead of being evidence of his enduring a burden, is one of the evidences of his greater prosperity and his better position as a citizen of this Dominion.

## Which was the Better Year?

My hon. friend (Mr. Bell, of Pictou) said that under the late government the tendency was towards a reduction of taxation, by which, as he explained, he meant that the rate of taxation per head was falling under the late government, and as he described it that was a very happy position. The country according to his view would be most happy when the rate of taxation collected per head was lowest. In 1889, the rate of taxation as he computes it, per head of population, that is the revenue collected from customs, was \$5.01. In 1895, it had fallen to \$3.50 per head. According to the argument of my hon. friend that should have been a happy and prosperous year for Canada in 1895, because the taxation of the people for customs fell from \$5.01 in 1889 to \$3.50 in 1895. That was the happy year for Canada if my hon. friend's theory is correct. In 1896 the figures were a shade higher, \$3.90. In 1904, the revenue collected from customs, as far as we can compute at present, is about \$7.40 per head. My hon. friend treats that increase of taxation of \$3.50 per head in 1895 to \$7.40 per head in 1904 as a great evil of the country. Which year would Canada most gladly have, the year 1895 with a taxation collected of \$3.50 per head, or the year 1904 with a taxation of \$7.40 per head?

### A Fallacy Exposed.

My hon. friend must see that his whole argument is fallacious to the last degree. The condition of prosperity which he describes would be a condition of adversity, a condition of distress. Will any reasonable man say that the condition of Canada in 1895, when the people paid only \$3.50 per head, was as good for all purposes—as good for the present, as good for the people, as good for the future making of this country—as the year 1894, when we confess that we collected \$7.40 per head? That is the argument that runs all through my hon. friend's speech. He claims that the increased amount paid by the people is an evidence of burden. I deny that, and I say that the increased taxation which the people have paid is one of the evidences of their prosperity; and, far from regretting it, we should rejoice that the people have not fallen back into the dark days of 1895, when they were only able to pay \$3.50 per head.

### Taxation and Debt.

There is another view of the matter which I would like to present. My hon. friend points out that the taxation per head collected by the late government was less than that which we have collected. We frankly admit that that is so, and we have given some reasons for it. But there is another reason that might be given. If we had pursued the same policy as the late government in a very important matter, we might have got along with less money. The late government collected less money per head, but plunged the country into a heavy debt. They added enormously to the public debt of the country, and left that as a burden on posterity. We have not done that. To the best of our knowledge and belief, we have not added one dollar to the public debt of Canada. The figures given in the Budget speech are not final; but, so far as we can judge at present, we believe it will be found at the close of the year, when the accounts are made up, and the record of our eight years is completed, that substantially there has been no addition to the public debt—that if there is any, it will be a mere trifle. Is it fair to compare the record of a government which out of its revenues carries on enormous public works and pays its way, with the record of a government which took less taxes from the people, but put a burden of debt upon them which will last as long as grass grows and water runs? If the Conservative government had paid their way, they would have increased

the taxation enormously. I do not say they should have imposed enough taxes to pay their way; perhaps they were wise in not doing it. But they must not make it a virtue that they did not increase the taxation when what they did was to add largely to the public debt of the country.

### The Financial Demands of Our Progress.

This government, they say, have spent money lavishly. We admit that we have spent liberally. On railway subsidies, on public works, on civil government, in every department of a great and growing country, there has been and necessarily must be some increase. It would be a rare thing if you could carry on the government of a country in these days of progress without some increase of expenditure in the various departments. We have spent money on railways, on canals, on great public works; we have paid the cost of sending the boys to South Africa; we have paid every ordinary expenditure, every special expenditure, every capital expenditure, bounties, railway subsidies,—everything that could be gathered into the net—and paid it all out of those taxes which my hon. friend talks about; and we come out at the end of the eight years with the record that whereas in 1896 the net public debt of the country stood at \$50.61 per head, if our anticipations of last year's operations prove to be correct, as we know they substantially will, we shall stand with a debt of \$46.31 per head. So I have shown that the increased taxation to which my hon. friend refers is simply the increased volume of money which, as my hon. friend the Minister of Customs said on one occasion, is generously offered by a grateful public, which steps up to the custom house and asks the Minister of Customs to be good enough to receive this money and apply it to the public affairs of this Dominion.

### An interesting table is appended on the Percentage of Taxation.

Average rate of customs taxation in 1896 (last year of Conservatives) .....	18.28
Average rate of customs taxation in 1903, under Liberals.....	15.88
This means that the Liberal reduction of the Conservative tariff rates is equivalent to.....	13 per cent.

## CHAPTER V.

## THE PUBLIC DEBT.

## NOT A DOLLAR ADDED BY THE LIBERALS.

## A Splendid Showing.

The condition of the Public Debt of a country is yet another barometer by which to measure its prosperity. Under this head the results of the seven years of Liberal administration are most favorable, and show a marked contrast to those that followed Conservative administration.

The following statement will tersely illustrate this:

## The Conservative Public Debt.

1876.....	\$258,497,432
1878.....	140,362,069

Increase in 18 years under  
Conservatives ..... \$118,135,363

Equivalent to an average increase of  
about six and a half millions per annum.

Liberal rule, 1896-1904, not a single  
dollar has been added to the Public Debt.

## A Correction.

Mr. Fielding, in his Budget speech of June 9th, 1904, alluded to the fact of a mistake being made by the accountant of the Finance Department when making up the Public Debt totals of 1903. In re-

vising the accounts for the Budget speech of 1904, it was found that a certain sum—about three millions—was payable by the province to the Dominion, and was therefore placed to the credit of the Dominion. The increase of the debt of a little over three millions announced by the Finance Minister in 1903 is, therefore, wiped out by these latest figures.

## The Finance Minister on the Public Debt.

The Finance Minister, Hon. Mr. Fielding, in his Budget speech of June 7th, 1904, said:

The question of the public debt is always an important one. In a country like Canada, a comparatively new and young country, it would not be surprising if we had to show large increases of the public debt. I have on several occasions, in referring to decreases which we have been able to show, pointed out that no finance minister in a country like Canada need be ashamed if he has to come before parliament and acknowledge that he is increasing the public debt. That ought to be the normal condition in a young country like ours, with vast resources to develop, with improvements all around us waiting to be done, and with courageous men ready to do them; but happily we are relieved from any such necessity. The following shows the net debt of the Dominion, beginning with the year 1896, and continuing down to the present date:

## STATEMENT OF NET DEBT.

June 30	Net Debt. \$ cts.	Increase. \$ cts.	Decrease. \$ cts.
1896 .....	258,497,432 77		
1897 .....	261,538,596 46	3,041,183 69	
1898 .....	263,956,298 91	2,417,802 45	
1899 .....	266,273,446 80	2,317,047 69	
1900 .....	265,493,806 89		779,639 71
1901 .....	268,480,003 69	2,986,196 80	
1902 .....	271,829,089 62	3,349,085 98	
1903 .....	264,912,439 11		6,916,650 51
1904 (Est.) .....	257,412,439 11		7,500,000 00
	14,111,296 56	15,196,290 22	
		14,111,296 56	
Reduction in eight years .....		1,084,993 66	
Average reduction per year .....		135,624 20	

### A Striking Comparison.

Thus we shall have this happy statement to present to the public, that we have carried on the public affairs of this Dominion for a period of eight years, during which we have engaged in large ventures and great improvements; we have spent money liberally, our hon. friends opposite sometimes say lavishly; we have generously provided for all demands for the public improvement of the country; and we shall be able at the close of the eight years to say that we have not added one dollar to the debt of Canada. On the contrary, from these figures we shall probably be able to show that there has been a reduction in the net debt during the eight years of \$1,084, 901.66, or an average yearly reduction in our eight years of \$135,624.20, against an average yearly increase in the net debt in the preceding eighteen years of \$6,563.075.

### How Conservatives Added to the Debt.

It is worthy of very special note that while the Liberal Government increased the debt at a very much smaller ratio than their predecessors, they spent in the last

seven years sixty-five millions on capital account for beneficial public works and services, as against only thirty-seven millions spent on that account by the Conservatives in their last seven years. More than half of the said thirty-seven millions was provided by additions to the debt. As a matter of fact, the Conservatives sank the country deeply in debt to pay for their capital expenditure. Under their regime we had to discount the future heavily every year.

### The Public Debt per Head.

In 1896 the public debt per head was \$50.96, whereas on June 30th, 1903, it was \$47.97—a reduction of \$3 per head. Taking the special reduction of debt through provincial accounts readjustment into consideration, the net debt per head at the close of the last fiscal year, June, 1904, was \$46.31.

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## CHAPTER VI.

## THE GREAT GROWTH OF CANADA'S TOTAL TRADE.

## A REMARKABLE STORY OF NATIONAL DEVELOPMENT.

## "The Jingle of Prosperity."

According to the science of political economy, the foreign trade of a country is the best test of its condition.

Judged by this standard, Canada is in exceedingly healthy condition.

Sir Wilfrid Laurier, in a speech at a banquet in Toronto, in the days when Sir John Thompson was Premier, said that when the Liberal Party came in power it would not be necessary to quote a long array of figures to prove that the country was prosperous, as a prominent Conservative speaker had done that evening. "No," said Sir Wilfrid, amid loud applause, "you will feel the jingle of prosperity in your pockets!"

## The Prophecy Fulfilled.

This prophecy has been amply fulfilled. There is the jingle of prosperity in the pockets of the Canadian people.

The Liberal Government can lay claim to this remarkable fact: that Canada has made greater progress during the last seven years under Liberal rule, than it made during the whole 18 years of Conservative rule with the much vaunted National Policy in operation.

Here is the proof:

## A Contrast, 18 Years Versus 7 Years.

Foreign trade (Conservative), 1878..... \$172,405,454

Foreign trade (Conservative) 1896..... 239,025,360

Foreign trade (Liberal), 1903..... 467,064,685

An increase of 66 millions in 18 years under the National Policy, compared with an increase of 228 millions in only seven years under the Liberal policy.

Comparing the last seven years of Conservative administration with the first

seven under the Liberals, we find a tremendous increase under the Liberal policy.

## Seven Years Versus Seven Years.

Total foreign trade for seven years from 1897 to 1903, inclusive..... \$3,542,701,333

Total foreign trade for seven years from 1890 to 1896, inclusive..... 1,630,446,121

Increase last seven years under Liberal policy..... \$912,255,213

## Total Foreign Trade of Canada by Years.

Last 7 Year of Conservatives.

1890.....	\$218,607,390
1891.....	218,384,934
1892.....	241,369,443
1893.....	247,638,620
1894.....	240,999,889
1895.....	224,420,485
1896.....	239,025,360

## Seven Years Under Liberals.

1897.....	\$257,168,862
1898.....	304,475,736
1899.....	321,661,213
1900.....	381,517,236
1901.....	386,903,157
1902.....	423,910,444
1903.....	467,064,685

## A Contrast, 30 Versus 7 Years.

Sir Richard Cartwright adds this interesting comparison:

In seven years I said that the growth of trade of Canada had increased more than double what it had increased in the thirty years before; it is a mere matter of arithmetic. In the interval between 1866 and 1896 a period of thirty years, the growth of trade was a little over \$100,000,000, if indeed it was over that at all. In the interval between 1896 and 1904 it is well up to

\$220,000,000, being, as I said, more than twice as much as the total growth in the thirty years before that interval.

### A Trade Comparison with Other Countries.

### A comparison of the progress of our

Country.	1896	1902	Increase.	of growth
CANADA .....	\$211,739,913	\$439,212,202	\$227,472,289	107.43
Japan .....	133,084,038	262,443,241	130,359,908	97.20
Cape Colony.....	146,281,249	233,312,649	87,031,400	59.50
U. S. (a) .....	1,642,925,161	2,417,983,175	775,068,014	47.18
Italy .....	429,424,191	626,893,183	197,468,942	45.99
Germany. ....	1,770,379,422	2,453,491,000	683,111,578	38.59
Belgium. ....	591,708,471	797,746,000	206,037,529	34.84
Argentine Rep.	207,633,480	272,637,574	65,004,094	31.31
Switzerland. .	304,788,030	386,453,454	81,755,424	28.83
Great Britain. .	3,128,380,468	3,950,834,168	822,453,702	26.29
France. ....	1,369,084,100	1,869,980,000	500,875,900	21.99

(a) Includes total imports, not "imports for consumption" only.

NOTE.—Imports for consumption and exports of domestic merchandise unless otherwise stated.

In the case of Canada and the United States the fiscal year ends June 30th, the figures therefore, in these two cases only are for the fiscal year ended June 30th, 1896 and 1903 respectively; the fiscal years of all other countries mentioned end December 31st, 1895 and 1902.

## A Comparison Based on Percentage. AGGREGATE FOREIGN TRADE.

This showing, we submit, disproves beyond question the Conservative assertion.

### **Canada's Export Trade.**

Some prefer to judge our material progress by exports; that is to say, the goods we produce in Canada and sell abroad for gold or exchange.

This standard of comparison will show equally satisfactory results.

#### A Contrast, 18 Versus 7 Years.

It is an actual fact that our annual exports of home products have increased in the last 7 years by no less than 104 millions, whereas during the 18 years of Conservative control they only increased about 42 millions.

trade with that of other countries is one of which every Canadian may be proud, as it places Canada in the first place.

The following table gives the relative percentage of the growth of trade of eleven leading countries for 7 years.

		Percentage of growth
1902 .....	Increase.	
39,212,202	\$227,472,289	107.48
32,443,241	129,359,908	97.20
33,312,649	87,081,400	59.50
17,988,175	775,068,014	47.18
38,893,133	197,468,942	46.99
53,491,000	689,111,578	36.59
77,746,000	206,037,529	34.84
2,837,574	65,004,094	31.31
6,543,454	81,755,424	26.83
10,894,168	822,453,702	26.39
19,960,000	800,875,900	21.96

Look at the details:

#### A Contrast: 7 Versus 7 Years

Or to put it another way: We sold abroad, during the last 7 years, 470 millions worth more than for the previous 7 years, as follows:

Total exports Canadian produce for seven years 1897 to 1903, inclusive...	\$1,166,511,452
Total exports Canadian produce for seven years 1890 to 1896, inclusive...	696,337,941

Increase last seven years,  
under policy of Liberal  
Government..... \$470,153,511

### Some Details of Our Export Trade.

The following figures are worthy of study:

	Total Exports Canadian Provinces 1887 to 1903, Inclusive.	Total Exports Canadian Provinces 1887 to 1903, Inclusive.
Produce of the Mines ..	\$ 42,720,147	\$ 170,000,705
"    Fish's .	69,468,459	78,868,559
"    Forest .	176,525,105	213,990,766
"    Farm .	331,401,269	573,986,671
Manufactures .....	51,599,394	101,231,462

**Total Exports of Canada by Years.**  
Last 7 Years of Conservatives.

1890.....	\$ 96,749,149
1891.....	98,417,296
1892.....	113,963,375
1893.....	118,564,352
1894.....	117,524,949
1895.....	113,638,803
1896.....	121,013,852

**Seven Years of Liberals.**

1897.....	\$137,950,253
1898.....	164,152,683
1899.....	158,896,905
1900.....	191,894,723
1901.....	196,487,632
1902.....	211,640,286
1903.....	225,849,724

**Total Exports of Farm Products by Years.**

(Includes agricultural produce and animals and their produce.)

Last 7 Years of Conservatives.

1890.....	\$37,015,025
1891.....	39,634,599
1892.....	50,708,134
1893.....	53,785,989
1894.....	49,559,623
1895.....	50,106,898
1896.....	50,591,002

Seven Years Under Liberals.

1897.....	\$37,227,898
1898.....	77,364,755

1899.....	69,696,045
1900.....	83,665,416
1901.....	80,276,797
1902.....	96,313,897
1903.....	114,441,863

**Percentage of Increase of Exports of Canadian Produce.**

	Ratio of Increase.
Under Conservative Policy (1878 to 1884 to 1890)	17 per cent.
(1890 to 1896)	7 " "
Under Liberal Tariff (1896 to 1902)	29 " "
	78 " "

**Exports of Agricultural Products, by Years.**

(The Produce of Canada.)

Last 7 Years of Conservatives.

1890.....	\$11,908,030
1891.....	13,666,858
1892.....	22,113,284
1893.....	22,049,490
1894.....	17,677,649
1895.....	15,719,128
1896.....	14,083,361

Seven Years Under Liberals.

1897.....	\$17,982,646
1898.....	33,063,285
1899.....	22,952,915
1900.....	27,516,609
1901.....	24,781,486
1902.....	37,152,688
1903.....	44,624,321



**From the Canadian Commercial Agent in Australia.**

Many manufacturers also have had to decline export trade, being too busy with the home trade to attend to the wants of foreigners.

The following extract from an official report dated July 12th, 1903, from Mr. J. S. Larke, Canadian Commercial Agent in Australia, illustrates this fact:

I have had some enquiries for openings for Canadian Manufacturers, but there are more enquiries for Canadian goods here just now than there is for markets for Canadian exporters, and arrangements made by Australians visiting Canada are generally disappointing. One who returned some little time since informs me that he has letters from twenty Canadian firms regretting that there is so little possibility of their being able to supply goods for some months that it is useless to seek orders. This is probably an exaggeration of numbers, but there are certainly a number of promising agents who have failed in securing the commissions in Canada that they sought.

**From the President of the Canadian Manufacturers Association, 1902.**

Never in the history of the country did workmen get better wages; and never were they more in demand. Every man who wants to work can find lots of employment.

Manufacturers generally realize all this to the full. They know their industries are prospering in a measure some of them never dreamed of.

Read what Mr. Robert Munro—the President of the Canadian Manufacturers Association during 1902—said at the annual meeting in Halifax during the fall of that year. He is reported in "Industrial Canada," the organ of the Association, as follows:

While the past year is fairly described as Imperial it has been a banner year in Canada. I will scare you by merely referring to a subject so pleasing and yet so familiar. Never was our country in so prosperous a condition. Never were our people so harmlessly optimistic. Canada's external trade for the fiscal year ending 30th June, is reported to be four hundred and twenty-three millions of dollars, an increase of thirty-eight millions,—being 10 per cent. Of manufactures, the preliminary returns place the increase at 15 per cent., so that the increase in our industrial exports has more than kept pace with our phenomenal increase in other departments. Considering the greatly increased demand upon us for our home market, this report is most encouraging, exhibiting as it does

the fact that our manufactures are developing more rapidly than the other branches of trade."

**From the President of the Canadian Manufacturers' Association, 1903.**

At the annual meeting of the Association held in Toronto in October of 1903, Mr President Birge was even more enthusiastic and optimistic. He said:

Since we met in Halifax, much has transpired which claims our attention as Canadian business men. We see Canada commanding the consideration of every other nation; rejoicing in a period of remarkable development; asserting without fear a fiscal policy which has commanded the respect of European countries; governing herself in the fullest enjoyment of liberty, yet proud of her place among the subjects of Great Britain. We see South Africa following Canada's example in instituting a British trade preference.

It is gratifying to every loyal Canadian to reflect upon the advances made by Canada during recent years, and to foreshadow the great future which is surely hastening towards us.

No other country in the world in proportion to the population has shown such great increases in its trade and commerce during the past five years, the figures for both exports and imports having nearly doubled during that time. Last year the total trade of Canada amounted to \$67,000,000, an increase over the previous year of more than \$43,000,000. The bank deposits of Canadian people showed a total last year of \$460,000,000, and the foreign trade more than \$70 per capita, which is the fourth largest in the world, being exceeded only by Great Britain, Belgium and Cape Colony.

The emigration to Canada during the past year is nearly double what it was in the year previous—reaching a total of 125,000, and this figure will be largely increased during the present year. No other feature is more indicative of our growth. During the ten years preceding 1901, sixty per cent., of the British emigration settled in the United States, and only ten per cent., in Canada. To-day, not only is a large proportion of the British exodus finding its way to Canada, but within the first seven months of this year nearly thirty thousand citizens of the United States crossed the border to settle in Canadian homes.

The general conditions throughout Canada have been those of prosperity and plenty—in fact, I believe that nowhere on the face of the earth are there five millions of people who wear better clothes, eat better meals and enjoy more of the good things of life than the people of Canada. Over and above this material prosperity, we rejoice to find a true Canadian spirit pervading and dominating our whole national life, not a blatant self-assertion or an empty jingoism, but an honest pride in our splendid resources and achievements, and in the fact that we are Canadians first and always.

But I wish to speak specially of our manufacturing industries, and a simple examination

of the facts proves clearly that as manufacturers we have not only shared in, but have contributed largely to the general prosperity of the time.

The returns of the 1901 census are not yet complete, and though the Commissioner has taken considerable trouble to give me some partial returns, I cannot avail myself of them for purposes of comparison, but we can get some idea of the growth of our industries by comparing the export figures of 1893 with those of 1903. In 1893 our total exports amounted to \$118,000,000. In 1903 they totalled more than \$214,000,000, an increase of 81.4 per cent. In 1893 our manufacturers exported 39.8 per cent. of our total exports of domestic products, while in 1903 they exported 47.2 per cent.

### From the General Manager of the Bank of Montreal.

Mr. Clouston, the General Manager of the Bank of Montreal, said at the annual meeting of the Bankers of Canada held in Toronto in November, 1902:

The year that has elapsed since our last meeting has witnessed a further remarkable expansion in all branches of the Canadian trade and commerce, in which the business of banking has had its due share. It has been a year of no untoward incident in the domain of mercantile affairs. The prosperity enjoyed in bountiful measure since 1897, continues unabated, and no clouds are yet perceptible on the horizon, save perhaps an undue and speculative desire for fi-

nancial expansion to anticipate the profits that will be in the future. On the contrary, the signs from which encouragement and hope spring are abundant. A bountiful harvest has been safely gathered, particularly in our Northwest, and is rapidly being carried to market, thanks to the liberally increased facilities provided for its transportation. The last returns show that the amount of grain moved to date this year exceeds by nearly 40 per cent., the total for a similar period in 1901. Labor is fully employed; manufacturing industries are working well up to their capital; immigration is increasing at a rate which prompts the hope that we are at last succeeding in solving the problem of populating the Northwest; new markets for our products are being exploited and old markets enlarged; means of transportation are being supplied and improved. Indeed, were one disposed to dwell on the possibilities of the future in the way of material development and prosperity, the field would afford a vast scope. Railway earnings, clearing house returns, figures of foreign commerce, the failure list, bank statements, in a word, all the tests by which the material conditions of a country are judged, indicate that Canada is experiencing an exceptionally high degree of prosperity.

### Raw Material Imported.

The importation of raw material constitutes a very good indication of the volume of business in manufacturing, and there is submitted a few figures compiled from the Trade and Navigation returns of the Dominion:

	Imports. Raw materials for 7 years 1890-1896 inc.	Imports Raw materials for 7 years 1897-1903 inc.
Ores of Metals .....	\$ 40,127	\$ 3,092,145
Raw Cotton .....	257,777,625	386,524,765
Crude Rubber .....	12,782,476	18,477,588
Hides and Skins .....	\$13,213,137	\$28,917,527
Flax Seed, (lbs.) .....	8,866,913	217,918,576
Oak .....	\$1,394,596	\$5,268,369
Mahogany .....	\$168,719	\$375,274
Furs and Skins .....	\$4,029,227	\$8,386,340
Coal, soft, (tons) .....	11,308,650	18,405,432
Coke, (tons) .....	111,348	1,380,230
Drugs, Dyes and Chemicals .....	\$11,361,307	\$19,819,998
Fire Brick for mfg. purposes ...	\$621,594	\$1,876,689

### Trade and Commerce.

The Department of Trade and Commerce is responsible for many advanced steps in the encouragement and development of trade. There are several Commercial Agents of Canada in Great Britain and other countries, expert business men who are on the alert for operations for

Canadian trade.

At the close of the South African war, a special Trade Commissioner was sent to Cape Colony, whose work was so successful that this appointment was followed by the appointment of a permanent Trade Commissioner, stationed in Cape Town.

### A South African Trade.

It was at the instigation of the Canadian Government that the British Government, during the South African war, placed large orders, amounting to millions, in Canada for various military supplies, such as hay, flour, beef, jams, oats, saddlery, boots, military clothing, etc., and since the war was ended, large orders have come from the British Government for agricultural implements.

In addition to the above, the Government, by means of liberal subsidies, provided for a direct freight service between Atlantic ports in Canada and South Africa, which went into operation about a year ago.

### Commercial Agent in France.

A gentleman of high standing, who is thoroughly conversant with the trade of both France and Canada, was last summer appointed as resident Commercial Agent for Canada in Paris.

### Coasting Trade.

An Act in the interest of Canadian ship-owners and ship-builders was passed in the Session of 1902.

It provides that ships built outside of the British Empire, but having a British Register, shall not be entitled to engage in the coasting trade of Canada, unless a license be taken out, and a duty be paid of 25 per cent. ad valorem on the fair market value of the ships. Prior to this law a ship built in any foreign country might secure British Register in any British port outside of Canada, absolutely without charge, and by virtue thereof, be entitled to participate in our Coasting Trade.

British built ships are of course entitled to the same privilege in regard to such Coasting Trade as ships constructed in our waters, but the line is drawn there.

### New Steamship Services.

The Department of Trade and Commerce has, since 1896, been instrumental in securing a number of new and important steamship services. Two winter ser-

vices were inaugurated from St. John, N.B.—one to Glasgow and the other to Belfast and Dublin. Steamship lines were also provided to sail from Montreal and Quebec in summer, and Halifax and St. John in winter, to Manchester, and from Canadian to French ports. There were also some services established between local points,—for instance, one between Quebec and Gaspe, and another between Sydney and Gulf St. Lawrence Ports.

### Manufacturers' Stock-taking.

Taking stock of the Canadian manufacturing industries, Mr. George E. Drummond, President of the Canadian Manufacturers Association, 1903-4, at Montreal, Sept. 20, 1904, estimated that not less than \$520,000,000 of capital is invested in manufacturing in Canada as compared with \$159,000,000 in 1881. He quoted the census returns for 1901 to show that the total production of 14,650 factories, employing five hands and over, was \$481,053,373, to produce which 344,085 work people and clerks were employed at an annual wage of \$113,283,146. The raw material consumed in the production of these finished goods was valued at \$266,527,858, leaving a net profit to the country of \$214,525,517. In estimating these figures only factories employing five hands or over were included in the census statistics, so that it is not correct to measure our advance by comparison with the figures of the 1891 census, which only credited us with a less number of factories by 585 than we have in the census of ten years later.

In making a comparison of the relative importance of the manufacturing industries, the President incidentally quoted the census statistics to show that of the 75,968 manufacturing establishments producing \$476,258,886 reported in 1891, no less than 61,903 employed less than five hands, and produced only \$107,562,163, and a computation on the same basis would give a total production for 1901 of \$621,424,750.

## CHAPTER VIII.

### THE STORY THE BANKS TELL.

#### ANOTHER EVIDENCE OF CANADA'S PROSPERITY.

##### Increase of Bank Circulation.

The circulation of bank notes and Dominion Government notes, together with the deposits of the people, form still another basis of gauging the progress and prosperity of a country. Judging by this standard of comparison, the following story of the banks further emphasizes the prosperity that Canada is enjoying under Liberal rule.

##### Bank Circulation.

Take for instance the circulation of Bank notes and Dominion Government notes. This is perhaps one of the best tests to apply. The extent of the paper money in circulation is an accurate indication of the volume of business. Here again we find greater growth in the seven years since 1896 than there was during the 18 years the Conservative policy was in operation, as is established by the following figures:

##### Circulation Dominion and Bank Notes at 30th June of each year.

1896.....	\$50,709,059
1878.....	29,811,843
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Increase 18 years under Conservatives..... \$20,897,216

##### Increase Under Liberal Rule.

1903.....	97,872,043
1896.....	50,709,059
<hr/>	

Increase 7 years under Liberals..... \$47,162,984

##### Bank Discounts.

The loans or discounts made by Banks afford another good illustration of our development, and they also show greater activity in business in the seven years since the present Government took office than during the previous 18 years. The figures under this head are as follows (for 30th June of each year):

1896.....	\$224,507,301
1878.....	123,913,778
<hr/>	

Increase 18 years when Conservatives were in power..... \$101,593,573

##### Increase Under Liberal Rule.

1903.....	406,184,733
1896.....	224,507,301

Increase 7 years under Liberals..... \$181,677,432

##### Deposits Made by the People in the Banks.

###### (Chartered and Savings.)

Here we have one of the very best tests of progress and prosperity, and we would ask the most careful attention to the astonishing figures (as at 30th June in each year):

1896.....	\$245,029,143
1878.....	79,197,512

Increase in 18 years under Conservatives..... \$165,831,631

##### Increase Under Liberal Rule.

1903.....	460,950,579
1896.....	245,029,143

Increase in 7 years under Liberals..... \$215,921,436

##### Assets of Banks.

This is another good test of national growth. The statistics under this head are reported as follows (as at 30th June in each year):

1896.....	\$316,122,706
1878.....	175,473,084

Increase in 18 years under Conservatives..... \$140,649,622

##### Increase Under Liberal Rule.

1903.....	641,985,372
1896.....	316,122,706

Increase in 7 years under Liberals..... \$325,862,666

## CHAPTER IX.

### THE MATTER OF TRANSPORTATION.

#### WHAT THE GOVERNMENT HAS ACCOMPLISHED.

##### Transportation Facilities Developed.

In addition to the speedy completion of the Canal system, the Government, through the Department of Public Works, has pursued a most vigorous course, with the object of cheapening and facilitating transportation between the great North West and the Canadian Atlantic seaboard. Special and energetic attention was directed towards improving the conditions of,—

1. The Harbors on Lake Superior, where the western grain is delivered by the Railways and stored for distribution.
2. The Harbors for trans-shipment in Ontario.
3. The lines of routes between the Province of Ontario and Montreal, and other eastern ports both by rail and water.
4. The Harbors for receiving, storing and shipment for the ocean voyage.
5. The River St. Lawrence ship channel, Montreal and Quebec, to the sea (night and day).
6. The Telegraph system.

##### Details of Improvements.

The general idea has been to create divers avenues through which would flow into the St. Lawrence, as the main artery, not only the products of the great North West, but also the products of part of the Western American States.

Starting at the commencement of the water stretch, improvements were effected at Fort William and Kaministiquia River, which enabled easier access to be had to Canadian Pacific Elevators.

At Port Arthur, additional depth of water was provided inside the protecting breakwaters, thereby facilitating trans-

shipment at the Canadian Northern Railway terminus.

The Harbors at Depot Harbor, Collingwood, Goderich, Owen Sound, Meaford, Midland, Sault Ste. Marie and Sarnia have been deepened by dredging, and at some of them, wharves and breakwaters have been constructed.

A large breakwater is in process of construction at the entrance to the canal at Port Colborne.

At Montreal, the Harbor Commissioners were moved to undertake the erection of a million bushel Elevator; and the Government took under its special charge the construction of high water level piers in the eastern part of the Canal at Maisonneuve.

Large contracts were entered into for further wharf accommodation at Three Rivers and Quebec, and at the latter place the Dry Dock was enlarged so as to admit vessels up to 600 feet in length.

Perhaps the most important work which has been carried on has been the improvement of the channel between Montreal and Quebec by dredging.

The Government dredging plant, which up to 1896 was an old-fashioned one and entirely inadequate, was augmented by the construction of five new dredges, the "Aberdeen," "Minto," "Baldwin," "Lafontaine" and "Tarte." New tugs and scows were also built to complete the equipment.

With this much improved equipment, nearly 30 miles of the total dredged distance of the St. Lawrence between Montreal and Quebec—60 miles—was deepened to 30 feet, and widened to 450 feet, and in some of the most dangerous places to 800 feet.

In the interest of the shipping of the St. Lawrence, the Government Telegraph

System was extended to Belle Isle, and the Marconi Wireless Telegraph System was established between Belle Isle and the main shore.

The transportation facilities in respect of what might be termed purely local domestic trade have also been greatly improved. All over the Dominion, in every Province, improvements have been effected at hundreds of places, consisting of construction and repairs to wharves, breakwaters, piling, dredging, etc.

Since 1896 a most vigorous and progressive policy has been pursued by the Government in the direction of improving aids to navigation.

#### Transportation Commission.

Mention should also be made of the recently appointed Transportation Commission, composed of experts, who are now at work studying transportation problems. The results of their labors cannot help being of great benefit to the country.

This Commission has recently directed the erection of a two-million bushel elevator at Port Colborne.

#### The Canal System.

The Liberal Government rightly takes credit for greatly facilitating transportation by increased and improved canal accommodation.

#### A 14-Foot Canal Channel.

When the Liberals took office they found that at the rate of progress that was being made in the development of the canal system, the work would not be completed in ten years or more. Realizing what an advantage an improved system would be to the country, and especially to the farmers, the Government decided to push the project to completion as soon as possible, consistent with good work and safety, and they succeeded by 1900 in getting a clear channel of fourteen feet from Lake Superior to Montreal. The benefits derivable from this improvement can hardly be overestimated.

#### Abolition of Canal Tolls.

In order to facilitate lake shipping, and with the object of promoting a greater use of the canal system, the Government tolls on vessels passing through the canals were abolished this season, as well as steamboat Tonnage dues. This was a great boon to Canadian shipping interests—and, judged by results, it appears to have been just what was necessary to turn the tide of the grain carrying trade of the continent through Canadian routes. This season the St. Lawrence route has been patronized to a much greater extent than ever before, and American ports have become very jealous of our progress. The American press implored their railways to lower their grain rates, and thus save the traffic of the United States ports. Another result was the fact that during the navigation season of 1903 Montreal shipped more grain than any other Atlantic port of the United States or Canada. Canada is thus more and more handling Uncle Sam's export grain, there being a difference in grain rates of three cents per bushel in favor of the Canadian lake and canal route.

#### The Trent Canal System

has been completed for a distance of 126 miles to Peterboro, where the largest hydraulic lift lock in the world was recently opened. It is evidently the intention of the Government to complete this great work through to Lake Ontario as soon as the most desirable route can be decided upon.

#### The Georgian Bay Canal Project.

An important item in the estimates for the coming year is \$250,000 for the preliminary survey of the proposed Georgian Bay canal route, via the waters of the French and Ottawa Rivers, to the St. Lawrence. This project opens up still another vista of interior water communication that may have an important bearing on the transportation problem of the future.

### The St. Lawrence Canal Route

The Marine and Fisheries Department has been exceptionally active under Liberal rule. Special attention has been directed to the St. Lawrence route with the object of obviating objections of underwriters, which have hitherto operated to our disadvantage, and of popularizing the route by making it as safe as possible for navigation. One of the many results obtained as already described has been the lighting of the channel between Montreal and Strel, so that it can be used by night as well as day.

In the matter of aids to navigation, the Government has established 54 new lighthouses, 26 range lights, 42 beacons or lights, 40 fog horns and fog alarms, besides many buoys and further aids.

### Coming Improvements.

The vote in the recent estimates for \$450,000 for a new and powerful ice-breaking vessel, with a view to keeping the main channel open as late in the season as possible, are further illustrations

of the activity of this important branch of the government.

The fleet of Dominion steamers has been added to by three first-class large vessels and a number of small ones.

Rewards for life-saving are given by this Department, the amounts thus given having increased from \$6,591 in 1895 to \$9,306 in 1903.

Marine Hospitals are aided. A new wing has been added to the Sydney Hospital, and repairs to the hospital generally.

### The Fisheries Branch.

The Fisheries Branch of the Marine and Fisheries Department has been ably managed. A largely increased expenditure has been made for fish breeding, and a further sum for cold storage for deep sea fishermen, a new and admirable service institute by the Liberal Government, which has been very much appreciated by the fishermen of the maritime Provinces. In the West, a fishery patrol vessel has been placed on the waters of British Columbia, a move that will have a beneficial effect.

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## CHAPTER X.

### THE POST OFFICE DEPARTMENT.

#### A WONDERFUL CHANGE IN SEVEN YEARS.

##### Sir William Mulock's Success.

In no single branch of departmental administration has there been a greater degree of progress under Liberal rule than in that of the Post Office Department. This has been brought to pass by the application of business principles.

Sir William Mulock, by checking waste and popularizing the Post Office through multiplying its facilities, has managed to make the institution pay its way, in spite of the prediction of the Conservative Postmaster-General, in 1893, that the measures since introduced by his successor would lead to an annual deficit of \$1,200,000.

##### Reorganization of Railway Mail Service.

In 1897, the Railway Mail Service, constituting the arteries of the postal system, was reorganized, the several more or less independent sections throughout the country being put under the control of one official, and managed as one institution.

##### The Dead Letter Office.

Up till 1898, the Dead Letter Office, whose business it is to deal with letters which for some reason cannot be delivered, conducted all its business at Ottawa, thereby causing unavoidable delays in the handling of correspondence. Sir William Mulock, in 1898, placed branches of the Dead Letter Office at all the important centres throughout the country, and delays are thus reduced to a minimum.

##### More Postal Reforms.

In 1898 Postal Notes were introduced, and remittances for amounts under \$10, which up till that time could only be sent by the cumbersome and rather expensive mode of Money Orders, can now be purchased as readily as a postage stamp, and at a nominal cost.

Immediate Delivery stamps, introduced in 1898, enable persons to communicate

with their correspondents, with the fulness of a letter, and frequently with as much satisfaction as regards time, as by a telegram.

##### Reduction in Postage Rates.

Proper business management having reduced the deficit from \$700,997 to the nominal sum of \$47,602, Sir William extended his view, and he was instrumental in having a Postal Conference assemble in London in 1898, composed of representatives of the British and leading Colonial Post Offices, and himself introduced the resolution, making a special Inter-imperial rate for letters, of 2 cents per  $\frac{1}{2}$  oz., instead of 5 cents per  $\frac{1}{2}$  oz. At the same time the Canadian Domestic rate was reduced from 3 cents to 2 cents per ounce. Canada thus had the honor of being the first British colony to adopt penny postage.

##### Post Office Surpluses.

Notwithstanding these reductions—of 60 per cent. in the Inter-imperial rate, and 33  $\frac{1}{3}$  per cent. in the domestic rate—and very extensive increase in the Service in all directions, the Department in 1902 showed a surplus of revenue over expenditure the first since 1851 when the Department came under the control of the Canadian Government. And this came to pass in spite of the Conservative prediction that a reduction of the postal rate from 3 cents to 2 cents per ounce would lead to a deficit of at least \$1,200,000.

On the 30th June, 1903, the surplus of revenue over expenditure was \$292,654.

##### Increase in Number of Post Offices, etc.

Since 1896 there have been 1,046 post offices established, an increase of 12 per cent. over the number in 1896, making the total number now 10,150. The increased number of miles mails were carried in 1903 was 4,957,729 (or 16 per cent. over 1896), the total being 35,509.  
412. The number of offices at which

money may be transmitted by Money Order or Postal Note is 4,874, or 372 per cent, greater than it was in 1896. There are 179, or 24 per cent. more Savings

Bank Offices than in 1896, or a total of 934. The expansion of business during the same period has been phenomenal. The number of articles carried in the mails is 135,043,610, or 76 per cent. greater than in 1896, or a total of 312,221,740. The value of Money Orders and Postal Notes issued during the last fiscal year was \$15,822,236, or 120 per cent. greater than in 1896.

The increase in the amount of the orders issued between 1890 and 1896 under Conservative administration was only 9 per cent.

The combined Money Order and Postal Note business for 1903 was \$28,914,297.

The Post Office Savings Bank business has increased by 38 per cent., the number of transactions in 1903 being 336,012 more than in 1896.

The number of letters posted is a fair indication of business activity. The comparative figures are:

1878.....	44,000,000
1896.....	116,028,000
Increase 18 years under Conservatives,	72,000,000.
1896 .....	116,028,000
1903.....	234,991,000
Increase seven years under Liberals,	118,963,000.

#### Still Another Postal Reform.

After obtaining the Inter-imperial rate on letters, Sir William Mulock entered into correspondence with the British and Colonial Post Offices, resulting in Cana-

dian newspapers being sent to Great Britain, and to many of the leading colonies at the same rate as they can be sent between offices in Canada.

For the first time in the history of Canada, therefore, the Post Office Department is on a self-sustaining footing, with a service far superior to that given under the era of Conservative deficits.

#### The Government Telegraphs.

The Government Telegraphs system of Canada is a valuable auxiliary of the Post Office Department, and the same business-like and progressive methods that mark the latter, characterizes the conduct of the former.

The Government system now totals miles of wires. During the last few years the system has been extended by hundreds of miles in British Columbia and the Maritime Provinces, and, to help the shipping interests, an extension has been made to the Straits of Belle Isle.

A Government Telegraph line has also been built from British Columbia to the Yukon, thus putting the growing population there in touch with all parts of Canada and the world.

The Government of Canada was the first of the colonial Governments to enter into contract with the Marconi Company for the construction of a wireless telegraphy station at Glace Bay, Cape Breton, \$80,000 being contributed thereto. In consideration of this grant, Mr. Marconi's Company agreed that messages should be transmitted from Canada at a rate not exceeding ten cents a word. This is a great deal below the cable rate, which is 25 cents a word.

#### Post Office Statistics for 8 Years.

The following statement will show the operations of the Post Office Department for several years:

Year.	Revenue.	Expenditure.	Deficit.	Surplus.
1896.....	\$2,964,014	\$3,665,011	\$ 700,997	
1897.....	3,202,938	3,789,478	586,539	
1898.....	3,527,809	3,575,411	47,602	
1899.....	3,193,777	3,003,799	410,021	
1900.....	3,205,535	3,758,014	552,479	
1901.....	3,441,504	3,931,446	489,941	
1902.....	3,918,415	4,203,636	105,221	
1903.....	4,397,832	4,105,178		\$292,654

In 1899 there was a deficit of \$410,021; that was the year when the reduction of postage took place.

### Another Post Office Surplus for 1904

Since the foregoing pages were written and its tables prepared, the statistics of the Post Office Department for the fiscal year ending June 30, 1904, have been completed and they again prove that, under the able administration of Sir William Mulock, this department is one of the best money-making institutions in the country. The accounts show the gratifying result of a net surplus of \$304,771, after paying the entire cost of maintaining the service throughout all Canada, including the Yukon and Atlin districts. A comparison of the results for the fiscal year in question just closed with those of the fiscal year ending the 30th of June, 1896, the last year of the late Conservative regime, shows the following results:—For the year 1896 there was a loss in the working of the postoffice amounting to \$781,152, while for the year 1904 there was not only no loss, but a profit of over \$304,000, and this after paying all the costs of operating the expensive postal system in the Yukon, Atlin, Athabasca and Great Slave Lake districts, which services were not in force in 1896. Moreover, this magnificent surplus is attained, notwithstanding the fact that the Postmaster-General has made substantial increases to the salaries of postmasters, postoffice clerks, railway mail clerks, inspectors, letter carriers, and, in fact, the whole clerical staff in the service. During the old regime these various officers were greatly underpaid, but by the legislation of 1902-3 authority was obtained from Parliament to increase their pay. This increase for the year ending the 30th of June last amounted to \$235,765. If the salaries of these officers had not been so increased the surplus of \$304,000 would have been so much the larger, i.e., would have amounted to \$540,536.

### Summary for year ending 30th June, 1896, as compared with year ending 30th June, 1904

#### Financial Result

1896.....	deficit.....	\$781,152
1904.....	surplus.....	304,771
	Making a financial improvement of.....	\$1,085,923

But for the reduction in the rates of postage this betterment would doubtless have been increased by at least \$1,000,000, which, however, instead of being collected and added to the revenue was left in the pockets of the people.

#### Number of Post Offices

1896.....	9,103
1904.....	10,460
Increase.....	1,357
Percentage of increase.....	.15%

#### Money Order and Postal Note Offices

1896.....	1,310
1904.....	7,102
Increase.....	5,792
Percentage of increase.....	.437%

#### Post Office Savings Banks

1896.....	755
1904.....	961
Increase.....	206
Percentage of increase.....	.27%

#### Total Miles of Annual Travel of Mails

1896.....Miles.....	30,551,683
1904.....Miles.....	37,199,210
Increase.....	6,647,527
Percentage of increase.....	.22%

#### Number of Letters Carried.

1896.....	116,028,000
1904.....	259,190,000
Increase.....	143,162,000
Percentage of increase.....	.123%

**Total Number of Articles Carried in  
Mails.**

1896.....	177,178,136
1904.....	341,251,442
Increase .....	164,073,306
Percentage of increase.....	.93%

**Amount of Money Transmitted by  
Money Orders and Postal Notes.**

1896.....	\$13,081,860
1904.....	32,534,876
Increase .....	19,453,016
Percentage of increase.....	.149%

**Number of Depositors in Savings  
Banks.**

1896.....	126,442
1904.....	168,572
Increase .....	42,130
Percentage of increase.....	.33%

During this period the Government has reduced the rates to the people as follows:—

Domestic letter rate reduced from three to two cents. Letter rate from Canada to United States reduced from three to two cents. Letter rate from Canada to Great Britain and to every portion of the British Empire reduced from five to two cents. Rate on Canadian newspapers and Canadian periodicals from Canada to Great Britain and every other part of the British Empire reduced from a rate of four cents per pound to one-quarter of one cent per pound.

This reduction in rates on Canadian newspapers and Canadian periodicals not only results in a saving to the Canadian people but aids in the wider dissemination throughout the Empire of Canadian newspapers and other publications, thus making Canada better known and attracting to Canada, population, wealth and industries.

## CHAPTER XI.

### THE TARIFF POLICY OF THE GOVERNMENT.

#### THE TWO TRADE POLICIES COMPARED.

##### **Splendid Results from the Liberal Policy**

We propose in this chapter to review the results of the fiscal year, and business policy of the Liberal Government, to compare them with the results of past Conservative policy, and to discuss the present attitude of the two great political parties on the trade question. The field is large, but we will endeavor to be as brief as possible.

##### **The History of Fiscal Legislation.**

To deal with the subjects thoroughly, it becomes necessary in the first place to take a look at the history of the fiscal legislation of the country. We will go back to 1879, when what was known as the National Policy, introduced by the Government of Sir John MacDonald, became law. As most people know, that policy had for its chief object the protection of native manufacturing industries. Protection was declared to be necessary to enable infant manufacturing concerns to secure a sure footing. The promoters of the policy heralded it with a great flourish of trumpets. It was to make Canada a great manufacturing nation; it would develop a large home market, which would greatly benefit the farmer; the land was to be dotted with the tall chimneys of busy factories; immigration would be attracted, and the great North West would be rapidly peopled. Business men were advised to "clap on all sail," and take no heed for to-morrow, for that was assured.

##### **What were the Results?**

For a few years all went well. Business prospered and considerable activity was manifested in manufacturing circles. Men with money, tempted by the bait of large profits to accrue from the policy of stiff protection, invested freely in manufacturing concerns. A return of general good times all over the world helped the policy along, and all the indications

seemed to point towards the fulfilment of the promises held out to the people. But unfortunately for Canada the policy did not wear well. After the first four or five years there came a lull, and to a certain extent, a re-action was witnessed. The promise of a greatly enlarged home market was not realized, but the bait of large profits from manufacturing had been too tempting, and as a result too many factories in certain lines had been established. Over production followed, internal competition became very keen, and institutions unable to stand the strain went to the wall. *It was a case of being protected to death.* From then down to 1896, the country made some progress,—good progress the champions of the National Policy called it—but compared with the recent past, it was very slow, and certainly not in anything like the proportions the great natural resources of the country warranted. Immigrants came to our shores, but in too many instances they did not stay long; and what was worse we were not able to retain our own people. As our boys grew to manhood they found little incentive for their ambition here, and drifted by the thousands and hundreds of thousands to the United States during the eighties and early nineties. According to the United States census of 1901, 1,181,255 of the population of that country were born in Canada. What would we not give to have them with us to-day?

The manufacturers themselves, who were supposed to be the parties who would benefit most by the policy, while fairly well employed, did not seem to make the progress that had been anticipated. They were practically confined to the home market which had not enlarged appreciably, or to the extent for which preparations had in some cases been made.

As time went on the dimmer grew the hope that there would be a complete realization of the promises made for the National Policy. In the middle nine-

## AGGREGATE FOREIGN TRADE.

		Rate of Increase.
Under National	( 1878 to 1884	20 per cent.
Policy .....	( 1884 to 1890	5 " "
	( 1890 to 1896	9 " "
Under Liberal Policy	1896 to 1902	77 "

*Later on in this article we will prove from the public records, that the country made greater progress during the seven years since 1896 under Liberal rule than it did during the whole 18 years under Conservative Government.*

## The Liberal Policy of a Revenue Tariff.

The Liberals came into power in June 1896, with a declared policy, to substitute for the Conservative Tariff a sound fiscal policy, which, while not doing injustice to any class, would promote domestic and foreign trade and hasten the return of prosperity to our people. They had also declared that the Tariff should be reduced to the needs of honest, economical, and efficient Government, that it should be so adjusted as to make free or bear as lightly as possible upon the necessities of life, and should be so arranged as to promote freer trade with the whole world, particularly with Great Britain and the United States.

## A Tariff Commission.

The first step taken by the Government was the appointment of a committee of its members, comprising Hon. Sir Richard Cartwright, Hon. W. S. Fielding, and Hon. Wm. Paterson, to ascertain in an exact and definite way the precise situation of all classes and sections of the country and their actual needs. This committee held meetings in most of the principal cities and towns of the country, which were attended by representative men in all spheres of industrial life, who were given every opportunity of expressing their views. Having completed their labors, the Committee duly made their report to the Government, and the whole question was then given that full, fair and serious consideration which its great importance demanded.

## EXPORTS CANADIAN PRODUCE.

		Rate of Increase.
Under National	( 1878 to 1884	17 per cent.
Policy .....	( 1884 to 1890	7 " "
	( 1890 to 1896	29 " "
Under Liberal Policy	1896 to 1902	78 " "

### Some Results of the Tariff Commission.

The result was the formation, and introduction of a Tariff which:

(1) Materially reduced duties on many necessities and staple commodities used by consumers generally.

(2) Placed on the Free List certain articles of prime necessity to the farmer, the miner, the fisherman, and the manufacturer.

(3) Reduced duties on iron and steel, which form the staple raw material of many industries; duties on other raw materials were also lowered.

(4) Simplified the classification of articles for duty purposes, and thereby ensured more uniform administration.

(5) And last, but not by any means least, gave a substantial preference to the products and manufactures of Great Britain over the rest of the world.

As most fair minded people recognize, the Government in 1897 made an earnest and honest effort to solve the Tariff problem, and give the people a law which aimed at equality of treatment which endeavored to reconcile conflicting interests, as far as possible without doing injustice to class, and which further, had for its object the promotion of the general welfare. No class or interest was singled out for undue favor. The needs of all were considered. The Government recognized to the full that the varied producing interests of Canada necessitated and demanded a fiscal policy framed, as far as practicable, in a spirit of moderation, and so adapted as to distribute the burdens of taxation, as well as the benefits arising therefrom, as equally as possible. Look at our position for a moment: we have five great sources of national wealth, namely, the farm, the forest, the fisheries, the mines, and our manufacturing industries. We keep national house on the income derived from them. Now it will be apparent that the interests and needs of these various producing branches are not identical. They conflict in some instances very strongly. The farmer, for instance, has to pay higher prices for his articles of necessity and comfort by reason of Customs duties being imposed thereon—whereas, on the other hand, the prices of his principal products are largely determined in the

markets of the world. So far as the selling value of his principal products are concerned, a Customs Tariff cannot assist him. The miner, too, could buy most of his supplies and machinery cheaper if they were free from duty. Then, again, look at the case of the fishermen. They are chiefly located in the Provinces forming the extreme boundaries of the Dominion, and by reason of distance from our centres of population, are unable to supply the markets there, and consequently are obliged to export the bulk of their catch to foreign markets easier to reach, but where they have to encounter stiff competition. The lumberman, too, is affected by the Tariff on his commodities.

Now we want to conserve and develop all our income producing interests, manufacturing, farming, mining, fishing, and lumbering. We require them all—none can be spared. We submit, therefore, again, that the true fiscal policy for Canada is one of reasonable moderation, and where assistance or protection by means of a Tariff be necessary to any interest, the measure of such State aid should be carefully considered, if in its nature there is a tendency to diminish the productivity of any of our other sources of national income, by decreasing the purchasing power of the producers. The aim should be to promote the utmost development in all industrial pursuits, particularly such as the country is most naturally adapted for, and provide for the people generally the maximum amount of profitable labor.

### Manufacturing and the Tariff.

Manufacturing interests always bulk largely in Tariff discussions, and deservedly so, but though they are of immense benefit to the country, they are not more so than the agricultural industries. Indeed, if we take the population engaged, and the capital invested in farming and ranching, these industries bulk greater in the national wealth. No one wants to hurt the manufacturers, on the contrary, there is a general desire, irrespective of politics, to see them prosper. Everybody recognizes that manufacturing institutions (of a varied character, too) are necessary to build up a great

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nation, and acknowledges that it would be undesirable to continue our attention to purely pastoral pursuits. Most people admit, too, that a certain measure of State assistance to manufacturing is necessary. The question is largely one of degree.

We claim that at this stage in Canada's history it is equally important to make the farm enticing and to encourage manufacturing; and in making the farm enticing you help manufacturing in the best possible way. One of the greatest handicaps the Canadian manufacturer labors under is the smallness of the home market. How better can you enlarge that market than by populating the hitherto unsettled farming and ranching districts; and how better can you do that than by making farming and ranching life as enticing in a financial sense as possible?

We confidently submit that compared with the National Policy, the Liberal Tariff is an immense improvement, that it is based on better and truer principles, and that experience has proved it to be the best Tariff that Canada has ever had.

#### A Distinction Between the Two Policies.

At this stage we wish to point out one very important distinction between the power they considered the Tariff to be all policies of the two great parties. It is this: when the Conservatives were in most everything. They introduced the National Policy, blundered through the construction of the C. P. Ry., and then fell asleep, waking only at intervals to quarrel among themselves in true Tory fashion.

The Liberals, on the other hand, have backed up and supported their scientific Tariff policy with a sound, vigorous and progressive business policy. They realized that the farmer could not be benefited much, if any, by protective duties on his products, but they also saw that they could benefit him by cheapening the cost of transportation, and they devoted their best energies towards improving and enlarging transportation facilities all over the country. A most vigorous policy in this respect was pursued with first-class results. They saw, too, that the man-

facturer could be greatly benefited by enlarging his home market, and they instituted a vigorous immigration policy which has been marvellously successful.

Cold storage facilities of an excellent character were provided for the products of the farm and orchard, also for the bait for the fishermen of the Maritime Provinces. Postage rates were substantially reduced, and many reforms in the Post Office Department were instituted and thereby obtain the full benefit of the French Treaty. Combinations in restraint of trade were checked. The country's credit was bettered.

Iron, Steel, Lead mining and Oil industries were assisted by bounties; Commercial agencies were established in Great Britain, France, South Africa, and other countries; canal tolls and steamboat dues were abolished in the interest of the shipping of the lakes and the St. Lawrence. The canal system was rushed to completion; colonization and other railways were assisted all over the country by means of subsidies. The Crow's Nest Pass Railway was built, and the Intercolonial was extended to Montreal. A telegraph line was constructed to the Yukon District, and another to the Straits of Belle Isle. Trade statistical records were modernized, and are published monthly instead of yearly. Wharves, harbors, and rivers from the Atlantic to the Pacific have been constructed or improved, with the object of enabling producers and manufacturers to get easier access to their market. As a result of the Preferential Policy, new markets were obtained on preferential terms in New Zealand and South Africa. A competent Railway Commission was appointed. In these and a hundred other ways the Government has pursued a progressive and enlightened business course.

#### The Tariff Linked with Canada's Development.

In a word, the policy of the Government has been to develop Canada along legitimate lines. Towards that end the Tariff has been linked with the extension and improvement of transportation facilities, and with a vigorous immigration policy, to ensure the rapid settlement of

the country and the consequent enlargement of the home market.

To carry out their plans the Government needed large revenues—the Tariff was designed to produce them, and it has achieved its object. The increased moneys have been freely but wisely expended, and the Government were enabled thereby to assist the producing interests of the country by providing necessary public works, railways, etc., and in many other useful ways—without increasing the public debt one dollar. It is undoubtedly true that the prosperity of recent years has to a considerable extent been brought about by the action of the Government in these respects. When the Conservatives were in office they defrayed the cost of public works by adding to the public debt.

Under the promised Tory Trade Policy of complete exclusion, large revenues would not be obtainable, and consequently, if great public works were to be carried on, we would have to go into debt again to pay for them.

#### The Striking Features of the Government's Trade Policy.

Perhaps the most striking features of the Government's Trade Policy have been its progressiveness, originality and adaptability. Sir Wilfrid Laurier and his colleagues are imbued with the progressive spirit of the age, and they have adapted their policy from time to time to meet the changes in circumstances and conditions. They have boldly faced new conditions, and dealt with them not theoretically, but in a careful, practical, business-like way. They have, moreover, cut out new paths in fiscal legislation for themselves. First, they promulgated the policy of giving a preference to the manufactured products of the Mother Country and her colonies over all other countries in the world. This was admittedly a splendid stroke of business, which has redounded to the great advantage of Canada.

Not only did it benefit Great Britain—our best customer for our agricultural and other natural products—but it directly and indirectly helped the Canadian consumer. The Conservatives talked and theorized for years on the subject of

Preferential Trade, but never got within a hundred miles of the firing line. The Liberals acted promptly, wisely and well. In this great question Canada has led the way to the Empire; New Zealand, South Africa and British Guiana followed our example, and the Australian Commonwealth may do likewise before long. It may, we think, also be fairly said that the present agitation on the Trade question which is going on in Great Britain, on the initiative of Mr. Chamberlain, is very largely the result of the Canadian Preferential policy.

#### The Surtax.

The next important and radical step taken by the Government was the imposition of a Surtax, in addition to the ordinary Customs Duty, upon the products of Germany. That country had attempted to intimidate us by classing our products under their maximum or penalty Tariff, because, forsooth, we had given a preference in trade to our Motherland. Such a position was, of course, absurd for a country like Germany to take, but notwithstanding the protests of our Government, they maintained it. Every possible effort was made by the Government to get the Germans to take a more reasonable view, but without avail, so retaliation was resorted to, a stiff Surtax of one-third the ordinary Customs duty being imposed. Here again the Government scored a triumph, not only for Canada, but for the whole British Empire. It was an excellent Canadian Roland for the German Oliver. The trade of Germany with us has fallen off 50 per cent. since the Surtax was imposed. The German attitude was an attempt to thwart the movement for Preferential Trade relations within the British Empire, which, if submitted to, would perhaps have been the death blow to the movement.

#### The Anti-Dumping Law.

At the last session of Parliament a still more important and striking departure in fiscal legislation was made. We refer to the adoption of what is popularly known as the "anti-dumping law. Here again the Government had to face changed conditions, requiring bold and drastic

treatment. The Hon. W. S. Fielding, Finance Minister, in the course of his Budget speech, described the situation in the following lucid manner:

As time rolls on, changing conditions arise. It is the duty of the government and of all men in parliament to observe these changing conditions and adapt their tariff legislation to the conditions which may confront us. In the world's trade many new conditions have grown up, and we are particularly interested in the conditions which have arisen in the great high tariff countries. We can not meet these by mere academic discussions of the principles of free trade or protection. Mr. Cleveland, on a memorable occasion, used an expression which is very frequently quoted, 'It is a condition and not a theory which confronts us.' We recognize that fact in tariff matters, as in many other matters, and we say that many new conditions have arisen and are arising of which we are obliged to take notice.

In low tariff countries or in free trade countries, Great Britain for example, these disturbing conditions wisdom exist. England conducts her business generally upon rational lines. She sells at a profit, and what is known as the system of dumping or slaughtering is hardly known in connection with British trade.

But, Sir, in the case of all high tariff countries, these objectionable conditions arise. It seems to be the inevitable result of high tariff policy that monopolies, trusts and combines will flourish. This may possibly exist in low tariff countries, but they flourish under a high tariff policy, as they could not possibly flourish under other conditions. We find today that the high tariff countries have adopted that method of trade which has now come to be known as slaughtering, or perhaps the word more frequently used is dumping; that is to say, the trust or combine, having obtained command and control of its own market and finding that it will have a surplus of goods, sets out to obtain command of a neighboring market, and for the purpose of obtaining such control will put aside all reasonable considerations with regard to the cost or fair price of the goods; the only principle recognized is that the goods must be sold and the market obtained. I quite realize that what I may call the extreme free-trader, that is the theoretical free trader, if there be such a man, who attaches more importance to a theory than to the practical things of this life, may ask: 'Why should be care about that; do we not get the benefit of cheap goods?' Well, if we could be guaranteed for ever or for a long period that we would obtain cheap goods under that system the question would be a very fair one. If these trusts and combines in the high tariff countries would come under obligations, with sufficient bonds, to supply us with these goods at the lowest prices for the next 50 years, it would probably be the part of wisdom for us to close up some of our industries and turn the energies of our people to other branches.

But surely none of us imagine that when these high tariff trusts and combines send goods

into Canada at sacrifice prices they do it for any benevolent purpose. They are not worrying about the good of the people of Canada. They send the goods here with the hope and the expectation that they will crush out the native Canadian industries. And with the Canadian industry crushed out what would happen? The end of cheapness would come, and the beginning of dearness would be at hand. Artificial cheapness obtained to-day under such conditions, at the expense of dearness at a very near day in the future, is not a system of which we could approve, or which any of us on either side of the House could encourage.

This dumping then is an evil and we propose to deal with it. Perhaps it would not be too much to say that ninety per cent, of the complaints that are made to us by our manufacturers are not that the tariff is too low, speaking generally, but that this dumping and slaughtering condition exists, and that the tariff under such conditions fails to give them the protection they would desire. Well, if ninety per cent of these grievances result from dumping, we shall be prepared to deal with it to-day. We think it is in the interest of legitimate trade that this question should be dealt with. It is not the first time that Canada has set an example in matters of this kind and possibly the step we are about to take will be followed by other countries. Our friends on the other side of the House will recognize this dumping evil as fully as and perhaps more fully than even hon. gentlemen on this side of the House. We differ from them as to the manner in which it should be dealt with. Their remedy is a general increase of the tariff all along the line. Perhaps they would not go quite so far as to increase all duties, but that is the principle they suggest. A high tariff is their remedy for this evil. We object to that because we think it unconstitutional.

The dumping condition is not a permanent condition; it is a temporary condition and therefore it needs only temporary remedy, that can be applied whenever the necessity for it arises.

We propose therefore to impose a special duty upon dumped goods. That special duty, subject to a limitation which I will mention, will be the difference between the price at which the goods are sold, the sacrifice price, and the fair market value of those goods as established under the customs law of the country. But this is subject to a qualification—subject to a limitation. If an article is sold at a lower price in Canada than it is sold in the country of production, then that will be the evidence of dumping, and the difference between the fair market value in the country of production and the price at which it is sold—or if hon. gentlemen prefer, dumped—that difference shall constitute the special duty, within the limitations. As regards certain articles upon which our duties are low and upon which we grant protection in the form of bounties as well as in the form of duties, as respects certain of these items in the iron schedule chiefly, the limitation shall be 15 per cent ad valorem; that is to say, that special duty shall be the difference between the fair price and the dumping price provided it shall not exceed 15 per cent ad valorem. The additional duty over and above the present duty I call the

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special duty, and it is so called in our resolutions. Then in case of other articles, the limit is 50 per cent of the present duty. It is a duty over and above the existing duty, and it is limited by these two conditions: In one case, or in a few cases of like character, the limitation is that it shall not exceed 15 per cent. of the value and in the other case it shall not exceed one-half the ordinary duty.

### Scientific Tariff Making.

This is scientific Tariff-making: this is business-like treatment of a practical business proposition.

By way of further illustration of the progressive and practical character of the Government's policy, we might glance for a moment at some of the recent Tariff changes.

Molasses, an article largely used, particularly by the working classes, and which was dutiable at 1½c per gallon and upwards, according to strength, was placed on the Free List, when imported from the British West Indies. Two objects were attained in this way. First, a reduction in price to the consumer. Second, the encouragement of trade with the British West Indies.

The duty on expensive Printing Presses, not manufactured in Canada, which was a heavy tax on the printing and publishing trade, was removed.

To assist new industries to start up in Canada, the following articles were placed on the Free List:

(1) Machinery for the manufacture of linen, and certain brass goods.

(2) Photographic paper for albumenizing or sensitizing.

(3) Glass for the making of photographic dry plates.

The Coal Oil question, which has been foremost in Tariff discussions for years, was boldly grappled with and disposed of in a satisfactory manner. Formerly, the duty was 5c per gallon on the refined oil as well as the crude. The situation was a difficult one to deal with, there being three different interests to consider, namely, the consumer, the oil producer, and the oil refiner. The consumers complained bitterly that the tax was too heavy. In their judgment, it was inequitable to burden them in the interest of a limited number of producers. It was established also, that the production of crude oil in Canada had diminished

steadily for some years, and that the home supply, was inadequate to keep the Canadian refiners running at even half their capacity. The Government, after carefully considering all phases of the situation reduced the refined oil duty from 5c per gallon to 2½c, and placed crude oil for refining on the Free List, also oil such as is generally used by manufacturers for fuel purposes. The duties on other products of Petroleum, such as paraffin wax, lubricating oils, axle grease, and vaseline, were reduced at a ratio corresponding with the reduction in refined oil. The oil producers were compensated by a bounty of 1½c per gallon.

The net results of this legislation are:

(1) A substantial saving to the people. A few days after the new Tariff was announced the price of coal oil dropped to an extent corresponding with the reduction in the duty.

(2) Manufacturers were greatly benefited by getting free fuel oil. This is undoubtedly a great boon.

(3) The oil refining industry was placed on a sound basis.

(4) The oil producing interest was conserved and justly dealt with.

The Finance Minister estimated that the net saving to the people, after paying bounty, would be about \$400,000 per annum.

The situation of the Woollen industry was also considered, and a necessary remedy was applied.

### The Wool Industry.

In this connection we cannot do better than quote the Finance Minister's statements in the House of Commons:

Very much of the criticism of the tariff respecting the wool industry is, I am inclined to think, unjustified. What I mean is, that as respects some of these industries no amount of tariff could save them from trouble. From the information I have received, I may say that in every one of these industries there has not been the perfection of management which is necessary in these days of keen competition.

I am afraid they are not all equipped with the most modern machinery; I am afraid that they have not all put themselves in a condition which would enable them to fully enjoy the benefits which the tariff already holds out to them.

But, while there may be cases of that kind and my information is that there are such cases—still the representations that have been made to us lead us to the belief that the woollen industry is suffering severely from competi-

tion, and we propose to deal by a special item in our tariff with that industry.

The complaint is made very largely by our woollen manufacturers and by various public men who sympathize with them that although on the better grades of goods they can fairly compete with all persons, even the British manufacturer, a very large proportion of the imports of British woollen goods coming into Canada is really shoddy, goods of an inferior character, against which we ought to legislate, and it is alleged that any increase which we might make in the woollen duties would have the effect of shutting out, not the purer woollen goods, but the shoddy goods. That is argued with much force, and I am inclined to believe that there is something in it.

However, we propose to deal with the matter in this way. Our present duty on the class of goods which I may describe as che, tweeds, overcoatings, wearing apparel, and goods of that character, is 35 per cent, subject to the preference, which brings the duty on British goods down to 23 1/2 per cent. We do not propose to increase the general tariff, but we propose to put a limit on the extent to which the preference shall apply to these goods. We propose to fix a minimum tariff of 30 per cent on this class of goods coming in under the preferential tariff. This change will apply to all woollen goods mentioned in the tariff item 394, with the exception of blankets, flannels, bed comforters and counterpanes, which are placed in a group by themselves.

This is another evidence of the practical character of the Government's policy. New conditions necessitate change in treatment. A great industry employing thousands of people was found to be wanting to some extent, and a remedy was applied, but only to the extent necessary.

#### Other Changes.

In the interests of consumers generally, the duties on Tableware and Window Glass—articles not produced in Canada—were substantially reduced.

The Alluvial Gold Mining industry was assisted by making Machinery such as cannot be made in Canada, free of duty.

#### Tariff Orders in Council.

From time to time too, the Government has assisted the industries of the country by means of Orders in Council. Believing strongly, as they do, that manufacturers can be benefitted as much by reducing their cost of production as by giving them protection on their finished product, and believing also that the former

method is the better in the general public interest, they have passed the following among other Orders, placing the undermentioned articles on the Free List:

"The chemical compounds known as 'Safety Bate' and 'Tannin Preserver' when imported by tanners for use exclusively in 'the tanning of leather in their own tanneries.'

"Cotton Yarns, polished or glazed, when imported by manufacturers of shoe laces for the manufacture of such goods in their own factories."

"Syrup of molasses of cane or beet testing under 35 degrees by the Polar-iscopic, for use in the manufacture of compressed food for live stock, when imported by the manufacturers of such food, to be used for such manufacture only in their own factories."

"Key pins, damper Springs, jack springs, rail springs, regulating screws, spoons, bridle wires, damper wires, back check wires, dowel wires, German centre pins, brass pins, rail hooks, brass brackets, plates, damper rod nuts, damper sockets and screws, shell, brass, sappan screws, brass flange plates and screws, hammer wires, fly felt, butt felt, damper felt, hammer rail cloth, back check felt, whip cloth, bushing cloth, hammer felt, bridle leather and buck-skin, when imported by manufacturers of piano-keys, actions, hammers, base dampers and organ keys, to be used exclusively for the manufacture of such articles in their own factories."

"Botany yarn, single, in numbers 30 and finer, on wire tops, dry spun on what is known as the French and Belgian system, not cabled or twisted, in white only, when imported by manufacturers of cashmere socks and stockings, to be used exclusively for the manufacture of such articles in their own factories."

"Materials which enter into the construction and form part of Cream Separators to be used in their own factories for the manufacture of Cream Separators, until otherwise ordered."

"Silver tubing, when imported by manufacturers of silver-ware to be used in their own factories in the manufacture of silverware."

"Hemp bleaching compound when imported by manufacturers of rope, to be used in their own factories for the manufacture of rope, until otherwise provided."

"Steel for the manufacture of cutlery when imported by manufacturers of cutlery to be used in their own factories in the manufacture of such articles."

"Yarn of jute, flax or hemp for the manufacture of towels when imported by the manufacturers of jute, linen or union towels, to be used in their own factories in the manufacture of such articles."

"Malleable iron or steel castings, in the rough, for the manufacture of scissore and hand shears, when imported by manufacturers of scissore and hand shears to be used in making such articles in their own factories."

"Refined cotton seed oil (edible) for canning fish, until otherwise provided."

"Tubes and cones of all sizes, made of paper, when imported by manufacturers of cotton yarns or cotton fabrics, to be used in winding yarns thereon in their own factories."

"Oil (petroleum) when imported by miners or mining companies or concerns, to be used in concentration of ores of metal in their own concentrating establishments, under such regulations as the Minister of Customs may prescribe."

#### Trusts and Combinations.

The attitude of the Government as regards trusts and combinations in restraint of trade is also worthy of attention. In their tariff of 1897, as will be remembered, they took the power to punish trusts and combinations that "unduly enhance the price of any article or that by any other method unduly promotes the advantage of the manufacturers or dealers at the expense of the consumers." The method of punishment or retaliation adopted was the reduction of the duty on the article in question. In 1902, it was established by Royal Commission that a combine existed in the paper making trade of the country, under the operations of

which, prices were unduly enhanced, and the Government accordingly reduced the duty on Printing Paper from 25 to 15 per cent.

Quite recently too, a law was passed restraining the monopolistic practices in Canada of the American Tobacco Company.

#### What the Premier said.

Sir Wilfred Laurier, in the course of his speech on the Budget, pithily and pointedly referred to the Government's course as follows:—

"Sir, we have now been eight years in power. That is not a very long time in the lifetime of a nation, though it may perhaps be a long time in the life of a party. But after having been eight years in office, I think, I can say in the presence of friend and adversaries that we have not been imitators, we have been ourselves. We have not walked merely in beaten paths, we have hewed out our own way. We have altered our policy according to the difficulties that arose, and we have endeavored to solve the problems as they presented themselves to us, not by the application of antiquated formulas that had been in vogue in older communities, but by framing a policy that would be applicable to our own conditions and to our own circumstances. In the first budget speech which was presented to this House by my hon. friend, the Minister of Finance, we introduced a preferential tariff. We did not imitate any other nation, we were the originators. We adopted a policy which we thought suited to our condition, both as a colony and as a young nation, believing it to be in accord with sound economic conditions. We adopted a policy which we thought would advance Canadian trade with Great Britain, our 'other country', and which would at the same time afford considerable relief to the Canadian consumer. A year ago we imposed the German tariff. In doing so we did not borrow legislation from other countries, we devised a remedy which we had reason to believe would compel a powerful nation to give us the fair treatment which that nation denied us, or at all events, would force it to respect us. This year again, in order to meet a modern evil which has resulted from new methods in highly protected countries, we have invented a policy which we have every reason to believe will prove entirely effectual. As it was in the past so it shall be in the future; we shall face any difficulties, we shall face any problems as they arise and we shall endeavor to settle them by ways and means altogether Canadian in their conception, altogether Canadian in their character."

#### Tariff Reductions.

We will now endeavor to show the reductions that have been made in the rates of Customs duty by the Liberal Government.

The reductions have been of a three-fold character.

(1). Many of the articles in the Dutiable List were transferred to the Free List.

(2). Many items in the Dutiable List were reduced.

(3). The whole Dutiable List, except liquors and tobaccos, which are luxuries, were made subject to a reduction of one-third, if the goods came from Great Britain or certain of her Colonies.

Appended hereto, marked "A," is a schedule showing the transfers to the Free List, and the reductions made under the General Tariff, as compared with the Conservative Tariff.

In 1896, under the Conservative Tariff, \$18.28 was charged by the Customs on every \$100 worth of goods imported into the country. During the fiscal year ended June 30th, 1903 only \$15.88 was so charged. This is a reduction of \$2.40 from \$18.28, which is equivalent to 13 per cent. If the Conservative average rate of \$18.28 had been levied upon the importations of 1903, more duty to the amount of over five and a half million dollars would have been collected.

But Conservative politicians have argued in the House of Commons that, in making this calculation, Coin and Bullion, and Indian Corn that is imported into the country, but is not consumed here—being afterwards exported—should be deducted. Well, taking them on their own ground, we find that the average rate of duty imposed under the Conservative Tariff of 1896, after deducting Coin and Bullion was \$18.19 whereas it was only \$16.60 in 1903—deducting Coin and Bullion, and Indian Corn imported but not remaining in the country. If the Conservative rate had been in operation during 1903, nearly six millions more duty would have been collected according to this basis of calculation.

The Conservatives have further argued that it is not fair to make a comparison with the year 1896. Well! we will take their full term of office. The average duty charged by them during their eighteen years of power

was \$19.10, on each \$100 worth of goods imported. From 1896 to 1903 under the Liberals the average duty was \$16.49. If the Conservative average rate had prevailed during the seven years from 1896 to 1903, over thirty-two million dollars more would have been paid into the Treasury.

#### Effects of the Preference.

In addition to the direct reductions in duty heretofore referred to, there have been very large indirect savings to the people through the operation of the British Preferential Tariff. That Tariff as a matter of fact and actual experience has a direct bearing upon the prices of importations from all foreign countries, on such articles as Great Britain can supply us with. The foreign merchant competing with the British merchant in the Canadian markets is obliged to reduce his prices to off-set the reduction in duty on goods coming from Britain. The Canadian consumer consequently is benefitted by the reduction in prices. To illustrate this argument take the case of Cotton fabrics, printed or dyed—an article of very common use. The rate of duty is 35 per cent. from foreign countries and only 23 1-3 per cent. from Great Britain. On \$1,000 worth of such goods imported from Great Britain, \$233 duty would have to be paid, whereas on the same value imported from the United States, the duty would be \$350. The Canadian merchant is therefore in a position to say to the United States dealer or any other foreign dealer.

"On \$1,000 worth of cotton fabrics which I can buy in Great Britain. I would have to pay \$117 less in Customs duty than if I bought to the same extent from you. The British dealer, therefore, will get my order, unless you reduce your prices below his, sufficiently at any rate, to compensate for the difference of duty. If you will make me a reduction in your price of \$117 on \$1,000, I might be disposed to give you my order, but under no other circumstances would it pay me to do so."

The American and other foreign dealers have to reduce their prices to offset the reduction in duty on British goods, and the Canadian consumer gets the benefit of it. This applies to very many of the most important lines of goods that we import. More particularly does it apply to cottons, woolens, linens, silks, earthenware, glassware, drugs, dyes and chemicals, ironware, drugs, dyes and chemicals, iron, steel, hats, caps and bonnets, gloves and mitts, furs, leather, manufactures of fancy goods, paper, and manufactures of oils, soaps, etc., etc. In all these lines Great Britain competes in our markets, and in most of them she supplies us with the largest proportion of our importations.

It should be noted here that last year a change was made in respect of certain woollen goods—the net rate under the Preference being increased from 23 1-3 per cent to 30 per cent. This increase, however, does not apply to blankets, flannels, knitted goods, under-clothing or carpets.

#### Comparison of Preferential Rates with Conservative Tariff.

It might be well to compare the Preferential rates with the Conservative Tariff rates on some of the staple articles of consumption which we import largely from Great Britain. The consumer will see from this Statement just how Liberal tariff reform has benefitted him:

Article.	Conserv.	Pref.
Collars, 24c per dozen, and...	25	23½
Combs .....	35	23½
Grey Cottons .....	22½	16½
White or bleached cotton fabrics .....	25	16½
Printed, dyed cotton fabrics...	30	23½
Cotton Handkerchiefs .....	30	23½
Cotton Sewing Thread on spools .....	25	16½
Cotton socks and stockings, 10c per dozen, and .....	35	23½
Cotton Towels .....	25	20
Velvets and Velveteens .....	30	20
Cuffs, 4c a pair, and...	25	23½
Curtains .....	30	23½
Embroideries .....	30	23½
Towels, linen .....	25	20
Handkerchiefs, linen .....	30	23½
Shirts, linen, under, \$3.00 a dozen .....	35	23½
Window Glass .....	20	7½
Tableware .....	30	15

Article.	Conserv.	Pref.
Gloves and Mitts .....	35	23½
India Rubber and Waterproof Clothing .....	35	23½
Hats, Caps and Bonnets .....	30	20
Ink .....	20	13½
Table Cutlery .....	32½	20
Paris Green .....	10	6½
Pickles .....	35	23½
Soap, common or laundry .....	1c per lb.	2-3c
Soap Powders .....	35	20
Umbrellas .....	35	23½
Woolen Goods—		
Blankets, 5c a lb. and .....	25	23½
Tweeds, and Ladies' Dress Goods, 5c a lb. and.....	25	30
Flannels, 5c a lb. and.....	25	23½
Cloths, 5c a lb. and.....	25	30
Undershirts and Drawers .....	35	23½
Carpets .....	30	23½

On the heavier and cheaper class of Woollen Cloths, the equivalent ad valorem duty under the Conservatives ran up as high as 60 per cent.

#### Results of the Liberal Business Policy

Permit us to look at the results. Is it not an undeniable fact that the country has been marvelously prosperous since 1897, and that the prosperity has been general. The farmers never were so well off, or so contented. Workingmen never were so greatly in demand, and never received better wages. Manufacturing has developed and extended in a wonderful degree, notwithstanding the increased importations. The cry of the manufacturers to-day is for more help. Prosperity has been their lot to an extent which they never dreamed of in National Policy days. The North West is filling up rapidly. Canadians realize as they never did before, that they are citizens of what is destined to be the greatest country in the world, and they have no fears for the future. The despair felt in Tory days has gone—*we hope forever.*

It is an actual fact that more progress has been made during the seven years since 1896 under Liberal rule than during the whole eighteen years of Conservative Government. This is a strong statement to make, but it is proved up to the hilt by the following figures:

#### Increase in Foreign Trade.

Increase in Foreign Trade of Canada from 1878 to 1896, when the Conservatives were in office—\$66,000,000.

Increase 1897 to 1903, under Liberal Government—\$228,000,000.

#### Deposits by People in Banks.

Increase eighteen years under Conservatives—\$165,831,631.

Increase seven years under Liberals—\$215,921,436.

#### Bank Circulation.

Increase eighteen years under Conservatives—\$20,897,216.

Increase seven years under Liberals—\$47,162,984.

#### The Conservative Attitude.

What has been the Conservative attitude in regard to the Liberal fiscal policy? The question is not an easy one to answer. So many different positions have been taken by them, that it is difficult to say just "where they are at." The truth is that they have been very much disappointed. Their ideas have been shattered by actual experience. They expected that the Liberal Tariff would operate disastrously and when experience showed that it was the best Tariff Canada ever had, they were at their wits end to know what criticism to offer.

In 1897 when the Liberal Tariff was introduced, it was met with a "wail of woe" from Sir Charles Tupper and his colleagues. Here are the words of Sir Charles as reported in Hansard.

The result is that this tariff goes into operation and the hon. gentleman knows that the industries of this country are already paralyzed in consequence, while honorable members gloat over the destruction of Canadian industries. I was reading the wail, the sorrowful wail, of these industries in The Montreal Gazette, where one manufacturer after another declared that those industries were ruined, that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman last addressed the House was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada.

I feel that so far from rejoicing at it from a party standpoint, I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada, and upon its great industries. Still, I unhesitatingly say that, from a party point of view, the hon. gentleman are doing our work; they are showing

the people of this country that no reliance can be placed upon the most solemn declarations that they make either in the House or out of it; they are showing the people of this country that, having obtained power, which was all they wished for, they are now prepared to abuse that power at a cost of sacrifice of the industries of Canada.

The next position taken by the Conservatives was that the Government had retained the National Policy practically in its entirety, and that that was the reason why the country had been so prosperous. That is excellent Tory doctrine. It is the pet notion of Conservatives that they were sent on earth with a special mission to govern, and that none other have the capacity to do so. With such ideas, it was no doubt easy for them to persuade themselves, even in the face of adverse facts, that the National Policy had been retained. Not only was the wish father to the thought, but they believed the Grits could not possibly frame a policy which could produce prosperity, consequently when prosperity followed the Tariff, it was quite apparent to them that the National Policy had been retained. To them that was as plain as that two and two make four.

Absurd though such a position is, if the Conservatives had stayed by it, we could know where to place them, but almost in the same breath, they abused the Government for reducing duties, and thereby, as they alleged, ruined certain industries.

They voted, spoke against, and denounced the Preferential Tariff, claiming that it was injurious to Canadian manufacturing interests, yet they profess to be advocates of Preferential Trade within the empire. Hon. George Foster, perhaps the ablest man in their ranks was not long ago in Great Britain, extolling the Liberal preference to the British people.

One of their leaders fought a campaign in Manitoba during the general elections of 1900, chiefly on the cry of free agricultural implements, which he declared he was in favor of, and that notwithstanding the declared Tory policy of protection. Last year Mr. Borden, the present leader, told the same people in Manitoba that he did not propose to abolish the duty on agricultural implements.

What do you think of such inconsistent and irreconcilable attitudes? Do they inspire confidence?

### Where do the Conservatives Stand Now?

Where do the Conservatives stand now! At the session of Parliament of 1903, they introduced the following motion as an amendment to the Budget.

Moved that this House, regarding the operation of the present tariff as unsatisfactory, is of opinion that this country requires a declared policy of such adequate protection to its labor, agricultural products, manufacturers and industries, as will at all times secure the Canadian market for Canadians.

A somewhat similar resolution was introduced in the House during the session of 1902.

The phrase "adequate protection" is a very specious one, and might mean anything. The Leader of the Opposition when pressed for a definition of it, evaded the question, but his chief lieutenants have been more frank, and from their speeches we learn that the Conservative policy is one of high protection to the point of complete exclusion of imports that would conflict with Canadian manufacturers or other products.

Mr. Rufus H. Pope, Conservative M.P., for Compton, is reported on page 2419, Hansard, 1902 as follows:

(1) *The resolution that I would have preferred would be a resolution for a Chinese wall all round.*

Mr. Blain, the member of Parliament for Peel, during the same session made use of these words. *vide p. 1499, Hansard.*

I hold that the tariff should be so arranged that every institution in this country which is manufacturing goods to be consumed by the Canadian people should have sufficient protection to keep out the same class of goods made in any foreign country; and I have no hesitation in saying that, if that country should be England, the policy of Canada should be framed in the interests of the Canadian taxpayer as against the people who are producing the same class of goods even in the old country under the same flag.

Mr. Henderson, the old time Conservative member for Halton, is re-

ported on page 2384, Hansard, 1902, thus:

It was said in the early days of the present tariff, that the Liberals had stolen our clothes. I have never said so, but of course, when the preferential duty was only 1½ per cent, and when on colored cotton goods, and many other goods the duties were practically the same as under the Conservative regime, there was some reason for, perhaps, coming to the conclusion, without due consideration that the Liberals had stolen our clothes. But I do not consider that they have done anything of the kind. I am only sorry that they did not, for it would have been better for the country if they had. Their tariff is instead, just the antipodes of ours.

Mr. George Taylor, the Conservative whip, during the budget debate of 1902, said, page 1986, Hansard:

Now I am willing to go to an amount sufficient to protect the industries of the country even if it is 100 per cent.

Speaking of agricultural implements he said: Hansard, page 1988.

Thus we sent to the United States last year nearly \$2,000,000 to purchase these implements. In a very few years there will be nothing left of them but a heap of iron, and the Americans will have \$2,000,000, whereas, if we had a Government that would have given adequate protection, every one of these articles would have been made in this country. Employment would have been given to our working men, Canadian farmers would be supplying a home market, and we would have those \$2,000,000 in Canada as a national capital to help on our progress and development.

During the same debate Mr. Henderson, of Halton, spoke thus (p. 2087 Hansard):

But we say we will put a Chinese wall right around this country, and we will not allow those Americans to come in and monopolize the markets of his country.

The Hon. Mr. Paterson, Liberal, Minister of Customs, in his speech on the budget quoted the foregoing statements of Mr. Blain, and the following dialogue ensued:

(Minister of Customs)—But the hon. gentleman said more than that, he said this is in accordance with the principles enunciated in the amendment that Mr. Borden has moved.

(Mr. Blain)—Hear, hear, I stand by that.

Referring again to Mr. Rufus Pope, M.P., we find on page 2425, Hansard, 1902, he is reported as saying.

That policy which we shall propound will be one which will carry out, only in a more extended degree, the objects aimed at by the policy which our political fathers adopted in 1878.

It appears to be quite clear from these speeches that the term "adequate protection" practically means prohibition of imports. The new Opposition policy is one of exclusion, and it goes far beyond the old National Policy. If the Conservatives come into power we are to have the stiffest kind of protection. *They want to sell abroad, but they don't want to buy there.* Carried to its logical conclusion it means that they propose to say to the manufacturing interests of Canada, "We will keep the home market as a complete preserve for you. The foreigner and the British merchant will not be allowed to compete, or even to poke his nose in. The field will be your own, and no outsider will interfere with the prices you charge."

In these days of combines and trusts, what would such a policy result in? Would not the bait of large profits to accrue from high protection to manufacturing, induce capital to take a plunge, and as capital as a rule looks after itself, well, would not monopolies and trusts be created to kill internal competition with the object of taking the fullest advantage of the protection. How would this affect the farmer, and the consumer? You cannot protect the farmer by Customs duties on his products, at any rate to any appreciable extent, and he would therefore get no compensating advantage for the higher prices, which stiff protection would oblige him to pay on his commodities.

*In a word, the Conservatives stand for illegitimate protection.* If consistent with their declarations, their Tariff, if they get into power will be equivalent to passing a law, making it illegal to import into Canada any goods of which a like kind is produced here.

Verily that is protection gone stark mad!

#### FUTURE LIBERAL POLICY

It is proposed to have a full and detailed revision of the tariff at an early date, and after a thorough investigation has been made, as in 1897, by a Government Commission. The Hon. Mr. Fielding, Finance Minister, made an announce-

ment to this effect in his last Budget Speech, delivered on June 7th, 1904, and he foreshadowed the following lines of action on the revision:—

"We have some tariff changes to propose this session, but we have no intention of making any extensive tariff revision. Many items in the tariff, I might be almost justified in saying that almost every item in the tariff, bears a relation to some other item, and it becomes necessary to have a very careful enquiry before any detailed revision be undertaken. Before the last revision of the tariff, a commission composed of members of the administration held a very extensive and thorough enquiry among the business men of the country; all interests were heard and I am sure much valuable information was obtained. Before we could attempt to deal with all the details of the tariff it will probably be the part of wisdom to have that commission or some such body make such an enquiry. The ministers in one way or another will have to make a thorough investigation before any detailed tariff revision can be undertaken.

"But while we may not be prepared to deal with the details now, there is no reason why we cannot foreshadow the lines upon which the tariff revision might take place. We have to-day practically three tariffs. We have the British preference, we have our general tariff and we have the German Surtax. I think it would be found wise in any revision of the tariff that may take place, to continue these distinctions, and to, perhaps, deal with them more in detail. I think it would be the part of wisdom that we should still have separate tariffs to apply to separate countries, in order that we may be able to deal fairly with the countries that want to trade with us, and to deal less generously with those countries which pursue a somewhat hostile course towards us. We have to-day practically, a maximum and a minimum tariff, if I may so describe it, and then we have the British preference below that again. It would be well that in the revision that may take place we should adopt that prin-

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iple as it now exists and deal with it more in detail.

"I think it would be well for us to have a maximum general tariff and a minimum general tariff, and the British preference below that as we have it to-day. The maximum tariff would only be applied to those countries which pursue, if I may so call it, a hostile policy. I do not mean to say that they have any hostility to us, but simply that in the carrying out of their own affairs they adopt a trade policy which discourages trade with us. In that case, they cannot complain if we have a maximum tariff, and though we should guard against having an extreme tariff, we would be justified in saying that this tariff should be materially higher than the tariff which we are prepared to extend to other countries which are willing to trade with us on fair and reasonable terms.

"The minimum general tariff, which would correspond to the general tariff to-day, would apply to such countries as do not legislate commercially in a spirit of hostility to us—perhaps that is not happily expressed; let me say, to countries that adopt more moderate tariff views, low tariff countries. Of course where there are favored nation treaties in existence they have to be considered, but the principal nations which to-day adopt a high tariff policy have not any favoured nation arrangement, and therefore I think our hands will be free in that respect. So, we would have a maximum tariff, as we have the German surtax to-day, to apply to such countries as do not manifest a disposition to trade with us.

"We would have a minimum general tariff to apply to countries that are disposed to trade with us, and then below that we would have the British preferential tariff to apply to the mother country and to such colonies of the Empire as it may be expedient to extend the benefit of that tariff to. I think, sir, that on this line, guarding carefully against extortionate duties, but also making a distinction between the countries which wish to trade with us and the countries that do not wish to trade

with us, I think we can devise a tariff which will be in all its details fairly satisfactory to the country.

"Mr. R. L. Borden: I do not know whether I quite follow the hon. gentleman. Is it his suggestion that we should apply a higher tariff to other countries which have high tariffs against us, although they may treat us exactly in the same way they treat all other countries?

"Mr. Fielding: Yes, I think we should do that. Although, if there be special cases of countries which treat us with exception of unfairness, we would still have to deal with them by special legislation as we have done in the past.

"One advantage which we might derive from the treatment of the question as I have suggested is that we could deal with separate articles. Very often a general rule will work out some disadvantages when applied. Under our present system, our British preference is one-third off everything, and there may be cases in which that works unequally. There may be cases in which we could not afford the one third off. There may be cases in which we can afford more than one-third off. There would consequently be some advantage to us in having in our tariff columns a maximum general, a minimum general tariff and a preferential tariff, with each individual item stating in each case what the preference should be, and what the difference is to be. This would strike me as being the line upon which a tariff revision might properly be undertaken.

"But, sir, though we speak of that as an outline of the method by which there might be detailed tariff changes, we have to consider the question of things as they are to-day. We desire to deal with certain things as they present themselves to us to-day; we desire to deal with matters of urgency, reserving the question of a more general and more detailed tariff revision until an early date—I would say, hopefully, next session, but at all events as soon as a proper inquiry can be made."

### Scientific Tariff Making.

Here we have outlined a policy of scientific tariff making in the best sense of the term—a policy which will admit of proper conservation of all Canadian interests, of preferential trade within the Empire on fair and reasonable terms, and of the extension to other countries of favour for favour, or the imposition of high tariff as against high tariff, where necessary and in the interests of Canada.

The public, we are sure, will agree that the Government are right in proposing to have a Commission of Enquiry before revising the tariff fully. It would be unwise, nay, absurd, without first ascertaining in a direct way, by means of a Commission of Investigation, the precise nature of the changed conditions, and of the existing requirements of the country.

The construction of a tariff on scientific lines, adapted to the varied interests of Canada, is a tremendous task, which cannot be undertaken in any haphazard way. A thousand and one things have to be considered in connection with it. It is the primary and manifest duty of the Government to legislate for the general good of the country. They must, therefore, consider tariff questions, not from any single view point, but as to how they will affect the community generally. The tiller of the soil, the rancher, the fisherman, and other producers have to be thought of equally with the manufacturer. The interdependence of manufacturing industries has also to be carefully dealt with. What is one man's raw material is another man's finished product. In some cases, too, particular articles are found to be common to very many industries. In this connection it might be observed that the Canadian Manufacturers' Association not very long ago realized in a very forcible way what a difficult task it is to arrange a tariff to the general liking of their members, notwithstanding that they had only to deal with the question from the manufacturing standpoint. When they

attempted to reconcile the various conflicting interests within their own ranks, so as to carry out their object of going to the Government with propositions which they could state were generally acceptable to the Association, they encountered the greatest difficulties, and finally, the task was abandoned. How much more difficult is the task of the Government, who have to consider, not only the manufacturing end, but all the other interests of the community, with their dependence upon or conflict with one another?

It will, we think, be recognized, that to strike the happy balance in the true spirit which has actuated the Liberal Government in the past, namely, to promote the general welfare by providing the maximum amount of profitable labour for the people generally, is a task requiring patient and exhaustive investigation, and the exercise of business ability of a high order. In the past the Liberals have not been found wanting in these respects, and the success which has attended their efforts should be the best possible assurance to the public of their future conduct. The country may look forward with confidence to a continuation of the same moderate, practical, adaptive and progressive policy which has been so marvellously successful in the last eight years. The vigorous and practical immigration methods adopted by the Hon. Mr. Sifton will be persisted in, and the general policy of development of the country along natural and legitimate lines will be gone on with. When the Grand Trunk Pacific Railway (which is now assured) is constructed, the map of Canada will have been rolled back 500 miles. Think of the possibilities of the development which will result from this alone! Think what it will mean to the manufacturing and producing interests of the country! Think what it will mean to the workmen of all classes and in all trades! Think what it will mean to every merchant and storekeeper! Think what it means to the youth of the land!

## Appendix A.

STATEMENT showing articles now on the free list of the tariff which were dutiable under the tariff in force when the Liberal Government came into power, with the rates of duty then imposed.

## Articles transferred to free list.

## Former Rates of duty.

Degras, oleostearine. (This was formerly free for the manufacture of leather only).....	20 per cent. ad valorem
Florist stock as follows:—	
Corms, tubers, rhizomes, arucaria spiraea.....	20 per cent. ad valorem
Indian corn.....	7½ cents per bushel
Seed beans from Britain.....	15 cents per bushel
Rape seed—sowing.....	10 per cent. ad valorem
Mushroom spawn.....	20 per cent. ad valorem
Artificial limbs.....	20 per cent. ad valorem
Asphaltum or asphalt, refined.....	20 per cent. ad valorem
Binder twine.....	12½ per cent. ad valorem
Articles for manufacture of binder twine.....	Varying according to material
Religious tracts.....	35 per cent. ad valorem
Books for the use of libraries of schools, or for the library of any incorporated, medical, literary, scientific or art association or society.....	6 cents per lb.
Books on the application of science to industries of all kinds, including books on agriculture, horticulture, forestry, fish and fishing, mining, metallurgy, architecture, electric and other engineering, carpentry, shipbuilding, mechanism, dyeing, bleaching, tanning, weaving and other mechanic arts, and similar industrial books.....	6 cents per lb.
Canvas or fabric, not frictionized, for the manufacture of bicycle tires, imported by manufacturers of bicycles for use exclusively in the manufacture of bicycle tires in their own factories.....	20 per cent. and 22½ per cent. according to material
Clay crucibles.....	20 per cent. ad valorem
Cyanogen or compound of Bromine and Potassium for reducing metals in mining operations.....	20 per cent. ad valorem
Quebracho.....	20 per cent. ad valorem
Extracts of nut galls.....	20 per cent. ad valorem
Fashion plates—Tailors', milliners' and mantlemakers'.....	6 cents per lb. and 20 per cent.
Head ropes (fishermen's).....	1½ cents per lb. and 10 per cent.
Jute and hemp yarn for hammocks.....	20 per cent. ad valorem
Life boats and life saving apparatus. (When specially imported by societies established to encourage the saving of human life) .....	25 per cent. ad valorem
Brass, in strips, not polished, planished or coated.....	30 per cent. ad valorem
Copper, in strips, not polished, planished or coated .....	30 per cent. ad valorem
Brass trimmings for bedsteads, when imported for the manufacture of same.....	30 per cent. ad valorem
Cream separators.....	27½ per cent. ad valorem
Cable chains.....	5 per cent. ad valorem
Rubber, powdered.....	25 per cent. ad valorem
Surgical and dental instruments and surgical needles.....	15 per cent. ad valorem
Books—donations of, for charitable purposes.....	6 cents per lb.
Specimens, models and wall diagrams, for illustrations of natural history, for universities and public museums.....	Dutiable according to material
Astrachan or Russian hair skins and China goat plate or rugs, wholly or partially dressed but not dyed.....	15 per cent.
Wrought iron tubing, butt or lap-welled, threaded or coupled or not, not less than 2½ inches diameter, when imported for use exclusively in mining, smelting, reducing or refining.....	15 per cent. ad valorem
Platinum, in bars, stripes or plates.....	20 per cent. ad valorem
Sewing machine attachments.....	30 per cent. ad valorem

## Appendix A.—Continued.

**STATEMENT showing articles now on the free list of the tariff which were dutiable under the tariff in force when the Liberal Government came into power, with the rates of duty then imposed.**

Articles transferred to Free List.	Former rate of duty.
Steel, No. 12 gauge and thinner, but not thinner than No. 30, for the manufacture of bed fasts and furniture castors, when imported by the manufacturers of such articles for use exclusively in the manufacture thereof in their own factories.....	12 to 16 gauge, \$10 per ton, 17 gauge and thinner, 5 per cent. ad valorem \$10 per ton
Steel, for the manufacture of bicycle chain, when imported by the manufacturers of bicycle chain for use in the manufacture thereof in their own factories.....	\$10 per ton
Steel, for the manufacture of axes, hatchets, scythes, reaping hooks, hoes, hand rakes, hay or straw knives, windmills, and agricultural or harvesting forks, when imported by the manufacturers of such articles for use exclusively in the manufacture thereof in their own factories.....	1 cent per lb. and 20 per cent. ad valorem
Steel springs for the manufacture of surgical trusses, when imported by the manufacturers of trusses for use exclusively in the manufacture thereof in their own factories.....	Flat spring steel and steel bars, \$10 per ton; billets, \$5 per ton \$10 per ton
Flat spring steel, steel billets and steel axle bars, when imported by manufacturers of carriage springs and carriage axles for use exclusively in the manufacture of springs and axles for carriages or vehicles other than railway or tramway, in their own factories	Flat spring steel and steel bars, \$10 per ton; billets, \$5 per ton \$10 per ton
Spiral spring steel for spiral springs for railways when imported by the manufacturers of railway springs for use exclusively in the manufacture of railway spiral springs in their own factories....	1 cent per square inch 1 cent per lb.
Stereotypes, electrotypes and celluloids of newspaper columns in any language other than French and English.....	25 per cent. ad valorem
Barbed fencing wire of iron and steel.....	20 per cent. and 25 per cent. according to purpose used
Wire of zinc, screwed or twisted, or flattened and corrugated, for use in connection with nailing machines for the manufacture of boots and shoes.....	25 per cent. ad valorem
Galvanized iron or steel wire, No. 9, 12 and 13 gauge.....	20 per cent. ad valorem
Philosophical instruments and apparatus, such as are not manufactured in Canada, when imported for use in public hospitals	20 per cent. ad valorem
Photographs, not exceeding three, sent by friends and not for purpose of sale.....	30 per cent.
Cotton Seed Oil, when imported by manufacturers of liquid annato, to be used in their factories exclusively in the manufacture of liquid annato.....	20 per cent.
Metallic Tubes for use in the manufacture of Vaccine Points made in Canada.....	20 per cent.
The Chemical Compounds known as "Safety Bate" and "Tannin Preserver" when imported by tanners for use exclusively in "the tanning of leather in their own tanneries".....	20 per cent.
Cotton Yarn, polished or glazed, when imported by manufacturers of Shoe Laces for the manufacture of such goods in their own factories.....	25 per cent.
Syrup of molasses of cane or beet testing under 35 degrees by the Polariscopic, for use in the manufacture of compressed food for live stock, when imported by the manufacturers of such food, to be used for such manufacture only in their own factories.....	25 per cent.
Key pins, damper springs, jacks springs, rail springs, regulating screws, spoons, bridle wires, damper wires, back check wires, dowel wires, German centre pins, brass pins, rail hooks, brass brackets, plates, damper rod nuts, damper sockets and screws, shell, brass sapstan screws, brass flange plates and screws, hammer wires, fly felt, butt felt, damper felt, hammer rail cloth, back check felt, catch felt, thin damper felt, whip cloth, bushing	1c per lb.

**Appendix A.—Continued**

**STATEMENT showing articles now on the free list of the tariff which were dutiable under the tariff in force when the Liberal Government came into power, with the rates of duty then imposed.**

Articles transferred to Free List.	Former rate of Duty
cloth, hammer felt, back hammer felt, bridle leather and buck-skin, when imported by manufacturers of piano keys, actions, hammers, base dampers and organ keys, to be used exclusively for the manufacture of such articles in their own factories.....	Varying rates from 20 per cent. to 35 per cent.
Botany yarn, single, in numbers 30 and finer, on mule cops, dry spun on what is known as the French and Belgian system, not doubled or twisted, in white only, when imported by manufacturers of cashmere socks and stockings, to be used exclusively for the manufacture of such articles in their own factories.....	20 per cent.
Glass caps, shells, containers and capillary tubes; rubber bulbs, boxes and corks, for use in the manufacture of vaccine points; and only when imported by manufacturers of vaccine points...	20 per cent.
Materials which enter into the construction and form part of Cream Separators, when imported by manufacturers of Cream Separators to be used in their own factories for the manufacture of Cream Separators.....	25 or 30 per cent.
Silver tubing, when imported by manufacturers of silverware to be used in their own factories in the manufacture of silverware...	30 per cent.
Hemp bleaching compound when imported by manufacturers of rope, to be used in their own factories for the manufacture of rope.....	20 per cent.
Steel for the manufacture of cutlery when imported by manufacturers of cutlery to be used in their own factories in the manufacture of such articles.....	5 per cent.
Yarn of jute, flax or hemp for the manufacture of towels when imported by the manufacturers of jute, linen or union towels, to be used in their own factories in the manufacture of such articles.....	25 per cent.
Malleable iron or steel castings, in the rough, for the manufacture of scissors and hand shears, when imported by manufacturers of scissors and hand shears to be used in making such articles in their own factories.....	25 per cent.
Refined cotton seed oil (edible) for canning fish.....	20 per cent.
Bleached palm oil, Shea Butter, when for use as materials in Canadian manufactures.....	20 per cent.
Tubes and cones of all sizes, made of paper, when imported by manufacturers of cotton yarns or cotton fabrics, to be used in winding yarns thereon in their own factories.....	35 per cent.
Oil (petroleum) when imported by miners or mining companies or concerns, to be used in the concentration of ores of metal in their own concentrating establishments, under such regulations as the Minister of Customs may prescribe.....	5c. gallon
Machinery and Structural Iron and Steel for use in the construction and equipment of Beet Sugar factories.....	25 p.c. and \$7 ton
Tools and Machinery, not manufactured in Canada, for equipment of factories for the manufacture of Rifles for the Government of Canada.....	25 per cent.
Machinery and appliances of a kind not made in Canada, for use in alluvial gold mining.....	25 per cent.
Artificial teeth, after April 1, 1905.....	Some 5c per gallon
Crude Petroleum, fuel and gas oils. .8235 specific gravity or heavier, at 60 degrees temperature.....	" 2½c. "
Ferment cultures to be used in butter making.....	

## Appendix A.—Concluded.

STATEMENT showing articles now on the free list of the tariff which were dutiable under the tariff in force when the Liberal Government came into power, with the rates of duty then imposed.

Articles transferred to Free List.	Former rate of duty.
Glass cut to size for the manufacture of dry plates for photographic purposes, when imported by the manufacturers of such dry plates for use exclusively in the manufacture thereof in their own factories.....	20 per cent.
Goats for the improvement of stock, under such regulations as are made by the Minister of Customs.....	20 per cent.
Hydro-fluo-allicic acid.....	25 per cent.
Machinery of a class or kind not made in Canada for the manufacture of Linen.....	25 per cent.
Machinery of a class or kind not made in Canada for the manufacture of brass goods such as are mentioned in Item 492 in Schedule B. to the Customs tariff, 1897.....	25 per cent.
Plain basic photographic paper, baryta coated, when imported by manufacturers of sensitized paper for use exclusively in manufacturing albumenized or sensitized photographic paper in their own factories.....	30 per cent.
Printing presses of not less value than fifteen hundred dollars each, of a class or kind not made in Canada.....	10 per cent.
Quassia juice .....	20 per cent.
Well drilling machinery and apparatus of a class or kind not made in Canada, for drilling for water and oil and for prospecting for minerals; not to include motive power.....	25 per cent.
Whale Oil Soap.....	35 per cent.
Molasses, the produce of any British country entitled to the benefits of the British Preferential Tariff, when produced from sugar-cane and imported direct by vessel from the country of production, in the original package in which it was placed at the point of production, and not afterwards subjected to any process of treating or mixing, shall be free of duty; the package also to be free....	1½ per gallon.

## Appendix B.

STATEMENT giving a list of Dutiable Goods upon which the Duty under the present General Tariff is lower than it was under the Old Tariff, and giving also the respective Rates under the two Tariffs. The rate given as "present rate" has been subject to 33½ per cent. reduction under the British preferential tariff since 1st July, 1900.

	Old rate.	Present rate.
Belts, surgical, and trusses, electric belts, suspensaries and suspensory bandages of all kinds.....	25 per cent..... 10c per lb. equivalent to 18 8-10 p. c. ad. val. computed on basis of 1896 imports.....	20 per cent..... 10 per cent.
Books, printed ; periodicals, and pamphlets, n.e.s.....	15c per lb. and 25 per cent.	15c per lb.
Posters, advertising bills and folders.....		
Labels for cigar boxes, fruit, vegetable, meat, fish, confectionery, and other goods ; also shipping, price or other tags, tickets or labels ; and railroad or other tickets, whether lithographed or printed or partly printed, n.e.s.....	15c per lb. and 25 per cent. equivalent to 46 per cent. ad. val. computed on basis of 1896 imports..... 15c per bushel..... 40c per bbl..... 75 ".....	10 per cent. 15c per lb.
Breadstuffs—		
Wheat.....	15c per bushel.....	35 per cent.
Indian or corn meal.....	12c per bu.	
Wheat flour.....	25c per bbl.	
Cane, reed, or rattan, split or otherwise manufactured, n.o.p.....	80c "	
Carriages—		
Buggies and carriages, pleasure carts and similar vehicles, n.e.s.....	17½ ".....	15 "
Sleighs.....		
Tower clocks.....	Costing not more than \$50, \$5 each, and 25 per cent.....	35 "
Coal, bituminous.....	30 per cent.....	25 "
Collars of cotton or linen, xylonite, xyolite or celluloid.....	30 "..... 60c per ton..... 24c per doz. and 25 per cent. equivalent to 52 per cent. computed on basis of 1896 imports..... 1½c per lb. and 10 per cent. equivalent to 28 per cent. computed on basis of 1896 imports .....	53c per ton. 35 per cent.
Cordage, n.e.s.....	1½c per lb. and 10 per cent. equivalent to 28 per cent. computed on basis of 1896 imports .....	25 per cent.
Corset clasps, busks, blanks and steels, and corset wires, tipped or untipped.....	5c per lb. and 20 per cent. equivalent to 37 per cent. computed on basis of 1896 imports.....	35 per cent.
Cotton—		
Embroiderries, white.....	30 per cent. .... 25 ".....	25 percent.
Duck, white.....	25 ".....	25 "
Jeans, coutilles and aateens, imported by corset and dress stay makers for use in their own factories .....	32½ ".....	30 "
Sheets.....	81 per doz and 25 per cent. equivalent to 37 per cent. ad. val. computed on basis of 1896 imports .....	35 per cent.
Shirts of cotton, costing more than \$3 per doz.....	10c per doz. pairs, and 35 per cent..... 4c per pair and 25 per cent. equivalent to 59 per cent. ad. val. based on 1896 imports.....	35 per cent.
Socks and stockings .....	20 "..... 30 "	35 per cent.
Cuffs of cotton, linen, xylonite, xyolite or celluloid .....	20 per cent. ....	10 "
Drugs, etc.—		
Glycerine imported by manufacturers of explosives for use in the manufacture thereof in their own factories		

## Appendix B.—Continued.

STATEMENT giving a list of Dutiable Goods upon which the Duty under the present General Tariff is lower than it was under the old Tariff, and giving also the respective Rates under the two Tariffs. The rate given as "present rate" has been subject to 38½ per cent. reduction under the British preferential tariff since 1st July, 1900.

	Old Rate.	Present Rate.
Proprietary medicines, liquid, not containing alcohol	50 per cent.	25 per cent.
Sulphuric ether	50 per lb.	25 per cent.
Solutions of peroxides of hydrogen	50 per cent.	25 per cent.
Earthen and Chinaware	50 per cent.	25 per cent.
Demijohns, churns or crocks	30 per gal. holding capacity, equivalent to 38 per cent. ad val. based on 1898 imports	20 per cent.
Electric light carbons and carbon points	\$2.50 per 1,000, length 12 in., equivalent to 44 per cent. based on 1898 imports	30 per cent.
Electric light carbons over 6 inches in circumference	25 per cent.	15 per cent.
Fluxes of all kinds	30 " "	25 per cent.
Gunpowder and other explosives	40 per lb.	30 per lb.
Giant powder, nitro and other explosives	10 " "	30 " "
Nitro-glycerine	32½ per cent.	30 per cent.
Gun or pistol cases or cases, game bags	35 " "	30 " "
Landing tools	35 " "	30 " "
Gutta percha and India-rubber, manufactures of		
Boots and shoes with cloth uppers	40 " "	25 per cent.
Belting	32½ " "	25 per cent.
Agricultural Implements		
Farm, road or field rollers	35 " "	25 per cent.
Forks, pronged	35 " "	25 per cent.
Hay tedders	35 " "	25 per cent.
Hoes	35 " "	25 per cent.
Knives, hay or straw	35 " "	25 per cent.
Knives, edging	35 " "	25 per cent.
Manure spreaders	35 " "	25 per cent.
Post hole diggers	25 " "	20 per cent.
Potato diggers	35 " "	25 per cent.
Rakes, n.e.s.	35 " "	25 per cent.
Scythes and scythes, sickles or reaping hooks	35 " "	25 per cent.
Spades and shovels and spades and shovel-blanks and iron or steel cut to shape for same	50c per doz. and 25 p.c. equivalent to 38 p.c. based on 1898 imports	25 per cent.
All other agricultural implements, n.e.s.	35 per cent.	25 per cent.
Cart or wagon skeins or boxes	32½ " "	30 per cent.
Bar iron or steel, rolled, whether in coils, bundles, rods or bars, comprising rounds, ovals, squares and flats, and rolled shapes, n.o.p.	\$10 per ton.	\$7 per ton.
Butts and hinges, n.e.s.	32½ per cent.	30 per cent.
Cast iron pipe of every description	\$10 per ton, but not less than 35 p.c.	\$8 per ton.
Cast scrap iron	34 per ton.	\$2.50 per ton.
Chain, malleable sprocket or link belting for binders	27½ per cent.	20 per cent.
Tacks, shoe, equivalent to 52 p.c. based on 1898 imports	{ 1/2 ounce to 4 ounces to 1,000, one cent per thousand, 27½ per cent. }	25 per cent.
Steam engines and boilers	35 " "	25 per cent.
Fittings, iron or steel for iron or steel pipe	35 " "	30 per cent.
Forgings of iron or steel of whatever shape or size or in whatever stage of manufacture, n.e.s.	35 per cent., but not less than \$15 per ton	20 per cent.

## Appendix B.—Continued.

**STATEMENT giving a list of Dutiable Goods upon which the Duty under the present General Tariff is lower than it was under the old Tariff, and giving also the respective Rates under the two Tariffs. The rate given as "present rate" has been subject to 33½ per cent. reduction under the British preferential tariff since 1st July, 1900.**

	Old Rate.	Present Rate.
Steel shafting, turned, compressed or slotted, and banded iron or steel bars or shafts, n.o.p. ....	\$10 per ton and 10c. per lb. additional, estimated equivalent to 35 per cent.	30 per cent.
<b>Hardware, namely:</b>		
Builders', cabinetmakers', upholsterers', harness makers', saddlers', and carriage hardware, including curry combs, ....	32½ per cent. ....	30
Iron or steel ingots, cogged ingots, blooms, slab, billets, piled bars and loops and other forms, n.o.p., less finished than iron or steel bars but more advanced than pig iron, except castings	85 per ton ..... 84 " ..... 84 " ..... 84 " ..... 82½ per cent. ....	32 per ton, 32 50 " ..... 32 50 " ..... 32 50 " ..... 30 per cent.
Iron in pipe	36 " .....	25
Iron in pipe (charcoal)	36 " .....	25
Iron in kentledge	36 " .....	25
Locks of all kinds	36 " .....	25
<b>Machines and Machinery</b>		
Fanning mills	36 " .....	25
Grain crushers	36 " .....	25
Windmills	30 " .....	25
Ore crushers and rock crushers, stamp mills, cornish and belted rolls, rock drills, air compressors, cranes and derricks and percussion coal cutters	27½ " .....	25
Fodders or feed cutters	36 " .....	25
Horse powers	30 " .....	25
Portable engines	30 " .....	25
Portable saw mills and planing mills	30 " .....	25
Threshers and separators	30 " .....	25
All other portable machines	30 " .....	25
Slot machines	27½ " .....	25
Typewriting machines	27½ " .....	25
All other machinery, composed wholly or in part of iron or steel, n.o.p.	27½ " .....	25
Nails and spikes, cut, and railway spikes	10c. per lb. ....	10c. per lb.
Nails, wire, all kinds, n.o.p.	10c. per lb. ....	10c. per lb.
Mould boards or shares or plough plates, hand sides and other plates for agricultural implements, cut to shape from roll plates of steel but not moulded, punched, polished or otherwise manufactured, when costing 4c. per lb. and under	20 " .....	5 per cent.
Pumps	30 " .....	25
Railway fish plates and tie plates	\$10 per ton ....	\$8 per ton.
Rolled iron or steel angles, tees, beams, channels, joists, girders, zees, stars or rolled shapes, or trough, bridge, building or structural rolled sections or shapes, not punched, drilled or further manufactured than rolled, n.e.s., and flat eye bar blanks, not punched or drilled	12½ " .....	10 per cent
Rolled iron or steel hoop, band, scroll or strip, eight inches or less in width, No. 18 gauge and thicker n.e.s.	\$10 per ton ....	\$7 per ton. *
<b>Machines and Machinery</b>		
Rolled iron or steel angles and channels, weighing less than 35 lbs. per lineal yard, not punched, drilled or further manufactured than rolled, n.o.p.	35 per cent., but not less than \$10 per ton ....	\$7 " "
Rolled iron or steel plates or sheets, sheared or unsheared and skelp iron or steel, sheared or rolled in grooves, n.e.s.	\$10 per ton ....	\$7 " "

## Appendix B.--Continued.

**STATEMENT** giving a list of Dutiable Goods upon which the Duty under the present General Tariff is lower than it was under the old Tariff, and giving also the respective Rates under the two Tariffs. The rate given as "present rate" has been subject to 33½ per cent. reduction under the British preferential tariff since 1st July, 1900.

	Old Rate.	Present Rate.
Rolled iron or steel plates not less than 30 inches in width and not less than ¼-inch in thickness, n.o.p...	12½ per cent.....	10 per cent.
Rolls of chilled iron or steel.....	35 "	30 "
Skates of all kinds and parts thereof.....	10c. per pair and 30 per cent., equivalent to 57 per cent. ad val. based on 1896 imports.....	5b "
Skelp iron or steel, sheared or rolled in grooves, imported by manufacturers of wrought iron or steel pipe for use only in the manufacture of wrought iron or steel pipe in their own factories.....	\$10 per ton, equivalent to 54 per cent. ad val.....	5 "
Stoves of all kinds and parts thereof, n.e.s.....	27½ per cent.....	25 "
Stove plated and end or smoothing hatters' and tailors' irons, plated wholly or in part or not.....	27½ "	25 "
Boiler tubes of wrought iron or steel, including flues and corrugated tubes for marine boilers.....	7½ "	5 "
Tubes of rolled steel, seamless not jointed or welded, not more than 1½ inches in diameter.....	15 "	10 "
Tubes, seamless steel for bicycles.....	15 "	10 "
Enamelled iron or steel ware, n.e.s.....	35 "	30 "
Wire fencing woven and wire fencing of iron or steel, n.e.s.....	27½ "	15 "
Buckthorn strip.....	4c. per lb.....	15 "
Wire of all kinds, n.o.p.....	25 per cent.....	20 "
Wire, stranded or twisted, clothes-line, picture or other twisted wire.....	27½ "	25 "
Iron or steel scrap, wrought, being waste or refuse, including, punchings, cuttings, and clippings of iron or steel, plates or sheets having been in actual use; crop ends of tin plate bars, blooms and rails, the same not having been in actual use.....	\$4 per ton.....	\$1 per ton.
Table cutlery of all kinds, n.o.p.....	32½ per cent.....	30 per cent.
Steel plate, universal mill or rolled edge, bridge plates imported by manufacturers of bridges.....	12½ "	10 "
Steel in bars, sheets or plates, thicker than 17 gauge, when of greater value than 2½c. per lb.....	\$10 per ton.....	5 "
Steel in hoops, scrolls or strips, 18 gauge and thicker, when of greater value than 2½c. per lb.....	\$10 "	5 "
Adzes, cleavers, hatchets, hammers, picks, mattocks and eyes or poles for the same.....	35 "	30 "
Axes.....	35 "	25 "
Saws.....	32½ "	30 "
Files and rasps) n.e.s.....	35 per cent.....	30 "
Tools, hand or machine, of all kinds, n.o.p.....	35 "	30 "
Leather—		
Tanner's scrap leather.....	20 "	15 "
Type-making accessories for lithographic presses.....	27½ "	10 "
Composition metal for the manufacture of jewelery.....	25 "	10 "
Stereotypes, electrotypes and celluloids for almanacs, calendars, illustrated pamphlets, newspaper advertisements or engravings, and all other like work for commercial, trade or other purposes, n.e.s., and matrices or copper shells for the same.....	2c per sq. in.....	1½c. per sq. in

## Appendix B.—Continued.

STATEMENT giving a list of Dutiable Goods upon which the Duty under the present General Tariff is lower than it was under the Old Tariff, and giving also the respective Rates under the two Tariffs. The rate given as "present rate" has been subject to 33½ per cent. reduction under the British preferential tariff since 1st July, 1900.

	Old Rate.	Present Rate
Stereotypes, electrotypes and celluloids of newspaper columns and bases for the same, composed wholly or partly of metal or celluloid.....	3c. per sq. in.....	1c. per sq. in.....
Stereotypes, matrices or copper shells for the same.....	2c. " "	1½c. "
Wire of all kinds, except iron or steel, n.o.p.....	25 per cent.....	20 per cent.....
All parts of organs, except reeds.....	30 " .....	25 " .....
Pianofortes.....	35 " .....	30 " .....
Oils—		
Coal and kerosene distilled purified or refined, naphtha and petroleum, n.e.s.....	6c. per gall.....	2½c. per gall.....
Products of petroleum, n.e.s.....	6c. " .....	2½c. "
Olive oil, prepared for salad purposes.....	30 per cent.....	20 per cent.....
Lubricating oils, composed wholly or in part of petroleum and costing less than 25c. per gallon.....	6c. per gall.....	2½c. per gall.....
Paper and manufacturers of—		
Hanging or wall paper.....	Equivalent ad val. rate based on 1896 imports, 39 per cent.....	35 per cent.....
Plaster of Paris or gypsum, calcined or manufactured....	39 per cent.....	32½c. p 100 lbs.....
Enamelled iron or steel signs, and letters for same.....	35 per cent.....	30 per cent.....
Socks and stockings of silk.....	10c. per doz. prs & 35 p.c. ....	35 per cent.....
Slate—		
Roofing slate.....	30 per cent. but not more than 75c per square for black or blue, or more than 99c. per square for other colours.....	25 p.c., not over 75c sq. .... 25 per cent.....
School writing slate.....	30 per cent.....	25 per cent.....
Soap—		
Pearline and other soap powders.....	35 " .....	30 " .....
Stockinette for the manufacture of rubber boots and shoes, imported by manufacturers of rubber boots and shoes for use in their own factories, unbleached.....	22½ p. cent ) .....	15 per cent. ....
" " " " coloured...	30 " .....	15 per cent. ....
Stone and manufacturers of—		
Flagstone, granite, rough freestone, sandstone and all building stone not hammered or chiselled.....	20 " .....	15 " .....
Granite and freestones, dressed; all other building stone, dressed, except marble.....	30 " .....	20 " .....
Flagstone, dressed.....	30 " .....	20 " .....
Glucose or grape sugar, glucose syrup and corn syrup, or any syrups containing any admixture thereof.....	1½c. per lb.....	½c. per lb.....
Watch cases.....	35 per cent.....	30 per cent.....
Rakes, hay, of wood.....	35 " .....	25 " .....
Willow or osier—		
Window shades in the piece, or cut and hemmed, or mounted on rollers.....	35 per cent. but not less than 5c per sq. yard, equivalent to 41 per cent computed on basis of 1896 imports.....	35 " .....
Wool and manufacturers of—		
Socks and stockings of wool, worsted, the hair of the alpaca goat, etc.....	10c. per doz. prs. & 35 p.c. ....	35 " .....
Yarns costing 30c per lb. and over, imported on the cop, tube, or in the hank, by manufacturers of woolen goods for use in their products.....	30 per cent.....	20 " .....

## Appendix B.—Concluded.

STATEMENT giving a list of Suitable Goods upon which the Duty under the present General Tariff is lower than it was under the Old Tariff, and giving also the respective Rates under the two Tariffs. The rate given as "present rate" has been subject to 33½ per cent. reduction under the British preferential tariff since 1st of July, 1900.

	Old Rate.	Present Rate
Worsted tops made from lustre, wools and other like combing wools such as are grown in Canada.....	20 per cent .....	15 per cent.
Blankets.....	5c. per lb. and 25 p.c. equivalent to 39 p.c. ad. val. computed on 1896 imports.....	35 ..
Carpets, two-ply and three-ply, treble ingrain, composed wholly of wool.....	5c. per sq. yd. and 25 p.c. equivalent to 36 p.c. computed on 1896 im- ports.....	35 ..
Carpets, two-ply and three-ply, treble ingrain, of which the warp is composed wholly of cotton or other material than wool, worsted, etc.....	3c. per sq. yd. and 25 p.c. equivalent to 37 p. c. computed on 1896 im- ports.....	35 ..
Paraffine wax candles.....	30 per cent .....	25 ..
Paraffine wax.....	30 .." .....	25 ..
Illuminating oils composed wholly or in part of the products of petroleum, coal, shale or lignite, costing more than 30c. per gallon.....	25 .." .....	20 ..
Lubricating oils, n. e. s., and axle grease.....	25 .." .....	20 ..
Vaseline, and all similar preparations of petroleum for toilet, medicinal or other purposes.....	35 .." .....	25 ..
Common and colourless window glass.....	20 .." .....	15 ..
Plate glass, not bevelled, in sheets or panes not exceeding seven square feet each.....	25 .." .....	10 ..
Silk fabrics for the manufacture of neckties.....	30 .." .....	10 ..

## CHAPTER XII.

### PREFERENTIAL TRADE.

#### THE SUCCESS OF THE BRITISH PREFERENTIAL TARIFF.

##### Canada Leads the Colonies.

On the 15th day of May, 1903, in a speech delivered at Birmingham, England, the Right Hon. Joseph Chamberlain, Colonial Secretary, made a new departure in British politics by openly advocating reciprocal preferential trade between Great Britain and her colonies. This speech was the combination of a series of events which have taken place since 1897, and in order to understand the question it is necessary to briefly recapitulate these events.

##### The Preference Legislation of 1897.

In 1897 the Canadian Parliament passed what was known as the preferential tariff. The effect of this legislation was to give a preference beginning at 12½ per cent., and increasing in a year to 25 per cent., in respect of the duty upon importations coming from any country which treated Canada as liberally in tariff matters as Canada treated such country. This preference was shortly afterwards confined to Great Britain and her colonies and was increased from 25 to 33½ per cent.

##### Tory Opposition to a Preference.

In the general election of 1900 Sir Charles Tupper, and the Conservative party, attacked the action of the Government very bitterly upon the ground that this preference should not have been given to Great Britain without an equivalent preference or advantage having been given to Canada by Great Britain. It was said that before giving the preference we should have made a bargain with Great Britain to get something equivalent in return. The answer made to this proposition was that Great Britain would not have been in a position at that time to give us anything in return in the way of tariff preferences. Great Britain had been for many years a free trade country, and no proposition had ever been assented to by the people of Great Britain

which would authorize her Government to make any preferential tariff arrangement with Canada. It was thought that the best, and in fact the only, way of bringing about a favorable consideration of Canada's desire for a preferential tariff was to give effect to a preference in favor of Great Britain in Canadian markets without making any stipulation as to what should be done in return, trusting to the British Government and people to take the subject up, and consider it seriously at the earliest practicable moment.

##### The Colonial Conference of 1902.

Matiers went on until the Colonial Conference of 1902, held in London at the time of the Coronation. In the meantime the British Government had put a small tax upon wheat. When the Colonial Conference took place, the Canadian Ministers who took part in it proposed that inasmuch as Great Britain had departed from the policy of free trade to the extent of putting a small duty upon wheat, she should, in return for the Canadian preference of 33½ per cent., remit the wheat duty as against Canadian wheat, so that while wheat from foreign countries would pay the duty going into England, Canadian wheat would go in free.

The ground taken by the British Government in answer to this suggestion was that the preference of 33½ per cent., given by Canada to British manufacturers still left the Canadian duty so high as to be virtually prohibitive, so that it was held that the Canadian preference was of little substantial value to British manufacturers. The Canadian Ministers cited the statistics of importations to show that such was not the case, but that British trade with Canada had been favorably affected by the preference in a very substantial degree. Further than that, the Canadian Ministers stated that if the wheat duty were remitted upon Canadian wheat, they were prepared to give a further preference

in regard to certain classes of goods which are at the present time largely imported into Canada from foreign countries, but which could be brought from England if the tariff were arranged in a manner more favorable to British interests.

Notwithstanding these proposals the British Government declined to remit the duty on wheat in favor of Canada.

#### The Chamberlain Proposals.

Although there was no apparent result from the conference which took place at that time, the discussion has borne fruit during the last year, and it is not too much to say that the proposals which have now been made by Mr. Chamberlain are the results of the action taken by Canada in 1897, and the further discussions which have taken place since that time with reference to the Canadian tariff.

In fact the Canadian preferential tariff inaugurated the actual operation of preferential tariffs within the Empire. The Canadian example has been to some extent followed by the South African Customs Union, and the advantages of preferential tariffs are no well recognized.

#### The Status of Matters To-day.

Mr. Chamberlain has conceived the subject of preferential tariff within the Empire to be of such importance that he has resigned from the British Government for the purpose of undertaking the task of convincing the British people of the wisdom of adopting his policy, and it may safely be said that there is no question which is agitating the minds of the electors of the United Kingdom so much at the present time, as the adoption of the policy which Mr. Chamberlain has proposed. Canada has no right to interpose any opinion, or to take any part in a subject which is one for the consideration of the people of Great Britain, as it affects themselves. It remains for the people of Great Britain to settle the question, and decide for themselves, whether they will adopt the preferential system or not. If they decide in favor of such policy, then it will remain for Great Britain and Can-

ada to enter into negotiations, and settle the manner in which the policy can best be carried out so far as Canada is concerned. That is the status of the question at the present time. It is the opinion of all impartial observers that the policy of preferential trading within the Empire has made tremendous progress in the minds of British people within the last three years, and it is beyond dispute that the results thus attained have been the direct result of the policy which has been followed by the Canadian Government.

It appears perfectly clear, therefore, that no steps could have been taken by Canada which would more effectually promote reciprocal preferential trade between Canada and Great Britain, than the steps which have been taken since 1897.

#### Mr. Fielding on the Preference.

The Minister of Finance thus dealt with the matter in his Budget speech of 1904:

In the speech which I had the privilege of making to parliament in introducing the preferential tariff, I used these words: Somebody must make a move in this matter, and we propose that Canada shall lead the way." Now, Sir, looking back over the history of these eight years, I can fairly say that in leading the way at that time on this great question Canada took a step which has had wide-reaching effect throughout the British empire. We have found that even in the portions of the empire where they have not yet been able to follow our example they have spoken with the warmest admiration of the course which Canada has pursued, and they have recognized that in that step much was done for the development of the empire.

#### Some Material Results.

But we have not been without some material results. We think that, even though Great Britain has not formally adopted the preference, good undoubtedly has come to us from the better relations which have prevailed in a business way between the mother country and Canada, and we feel that some advantage has come to us. We know that the great colony of New Zealand has adopted a similar preference and that it is now in operation. Some months ago a conference was held at Bloemfontein of the various colonies of South Africa. At that conference there were represented the various states of South Africa--Cape Colony the Transvaal, Southern Rhodesia, the Orange Free State and Natal. They agreed to follow in principle the example of Canada, but it was necessary, however, for their various parliaments to take action in carrying out that principle. We now know that recently action has been taken by these colonies and that on the first day of July next the principle of the preference will be

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adopted throughout all the South African colonies. Whether or not this preference will in all respects be exactly adapted to our conditions is a matter to be considered hereafter. All I am claiming now is that when Canada led the way in 1897 she was leading in a movement which was destined to be of vast importance to our imperial interests everywhere throughout the world.

### Canada's Policy for the Future.

What should be our own action in the matter? Mr. Fielding continued:—We may be influenced in our own preferential policy by what may occur in the mother country hereafter. We shall claim a free hand in that respect, but for the present we think it is wise policy to adhere to the preferential system, in the hope that it may be adopted more generally throughout the empire, and that by and by a better understanding may be come to in the mother country and that it will be adopted there as well.

It has been sometimes said that Canada should take some further action in endorsing that principle. I do not think we are called upon to take any step beyond that which we have already taken. The attitude of Canada has been clearly laid down at the colonial conference, and while every phase of the government policy has been discussed in this House there has been practically no exception taken to the position assumed by the government at that conference on the question of preferential trade. Now that the matter has become one of party controversy in England, we naturally hesitate to take an active part in it. We are free to say what we think is best for Canada, we are even free to say that we think this system of preference is capable of doing good to the empire. But when we know the matter has become one of party strife in Great Britain, I think it would be unseemly on our part if we were to attempt to throw ourselves between the two political parties over there, and take any active part in the movement. We must be content with stating our position, as it has been stated in the past. We on this side of the House accept the principle of preferential trade. We believe that, while differing in some details, hon. gentlemen opposite will not differ from us on the principle, and therefore we say to the British people that Canada is practically a unit in support of the principle of preferential trade. We must be content to leave the matter at that for the present.

### The Preferential Tariff in Detail.

The adoption of a preferential tariff in favor of British goods was probably the most popular step ever taken by any government in Canada, and it has been productive of beneficial results, alike to Canada and the Empire. It was the best advertisement the country ever received. The whole Empire rang with it, and our national status was markedly increased. The material results were such that

the duties on all the most important staple commodities were materially reduced, and the consumer was thereby benefitted.

### Other Beneficial Factors.

The low rate under the Preference also constitutes a factor in determining the price to the Consumers of goods imported from countries not entitled to the Preferential Tariff. The foreign manufacturer in competition with the British manufacturer in the Canadian market has to reduce his price to offset the reduction in duty in favor of Great Britain.

This reduction is a very material one. It works out this way, viz.: where we charge \$3 on American goods, we only charge \$2 on British goods.

The Preference stimulated British trade with us, and has largely increased British imports. Under the operation of the Conservative Tariff, imports from Great Britain steadily declined. For instance, there was a falling off between the years 1893 to 1897, from 43 million dollars to 29½ millions. Immediately the Preference was granted, sales commenced to increase, and they have jumped up steadily until last year, when they amounted to 59 million dollars. Dutiable imports alone increased from 20 million dollars in 1897 to 42 millions in 1903.

Although no law was passed by the Parliament of Great Britain giving our products preferential treatment over other countries, there is no doubt that a natural preference has been given to them by the British people. Our Preferential Tariff created a most friendly and cordial feeling in the Mother Land towards us. This, coupled with the vigorous policy adopted by the Liberal Minister of Agriculture towards the development and perfection of Cold Storage facilities, greatly stimulated our sales there. The increase in our exports to Great Britain has been so astonishingly large that it could scarcely be due to natural and ordinary causes. Look at the figures:—During the six years succeeding 1897, when the Preference was instituted, the aggregate exports of Canadian Produce to Great Britain amounted to 602 million dollars, —for the six years previous thereto, they were only 364 millions.

### The Preferential Tariff in Brief.

The British Preferential Tariff as it first stood, provided for the admission of all articles except wines, malt liquors, spirits, spirituous liquors, liquid medicines and articles containing alcohol, tobacco, cigars and cigarettes, that may be imported from Great Britain and certain of her colonies and possessions, at a reduction of twenty-five per cent., or \$25 in a \$100. After July 1st, 1900, the reduction was made \$33.33 in a \$100. From the General Tariff rates which are imposed on the importations from all other countries. In the case of manufactured articles it is provided that such items to be admitted under the Preferential Tariff shall be bona fide the manufactures of Great Britain, and that the benefits of such tariff shall not extend to the importation of articles into the production of which there has not entered a substantial portion of the labor of Great Britain to the extent of  $33\frac{1}{3}$  of the value of the goods. This provision was intended to prevent the entry under the Preferential Tariff of Belgian, German and other continental manufacturers which, but for the provision, might be shipped to Britain, thence to Canada, and entered as British goods.

That in substance is the character of the British Preferential Tariff. To put it briefly—the result of it is that where goods from the United States or other foreign countries have to pay \$100 duty, the goods of Great Britain have only to pay \$66.66 duty.

### The Effects of the Preference.

The practical effects of the Preferential Tariff are, briefly, as follows:—

(1.) The Tariff has resulted in largely increased sales of British goods to Canada. For years prior to its adoption Great Britain's exports to Canada had steadily fallen off. The Preference at once arrested the decline and the trade has increased ever since.

(2.) It also has resulted in a wonderful increase in the exports of farm products of Canada to Great Britain. The British heart was touched by the action of the Canadian Government, and, although there is no law on the Statute Books,

British merchants are buying Canadian products as they never did before. The Conservatives tried to bargain in a huckstering spirit for a preference in the British markets for Canadian produce; the Liberal Government did not bargain for it, but actually got it through their wise actions.

(3.) It involves a very large direct reduction in the duties paid by the Canadian consumer, as compared with the duties paid by him under the Conservative tariffs.

(4.) It also operates indirectly to the benefit of the Canadian consumer. The foreign competitors of Britain in our markets must reduce their prices to meet the preference in duty granted to Britain. The Canadian consumer, therefore, is benefited by the reduction in prices.

### The Record of the Conservatives as to the Preference.

Let us now advert to a consideration on the policy and record of the Opposition on the Preferential Trade question, so that by the contrast we may be the better able to form an intelligent opinion on the merits of the matter.

The Conservative party, when in office, maintained a much higher rate of Customs duty on the importations from Great Britain than they did on the importations from the United States—Britain's great competitor, as is established by the following figures:—

Statements showing the ad valorem rate of duty on dutiable goods imported for consumption from Great Britain and from the United States during the under-mentioned years:—

Year.	From G. B.	From U. S.
1860 .....	28.78 per cent.	26.58 per cent.
1861 .....	28.98 "	25.96 "
1862 .....	29.43 "	26.48 "
1863 .....	29.80 "	26.73 "
1864 .....	29.99 "	26.95 "
1865 .....	30.05 "	26.73 "
1866 .....	30.19 "	26.69 "

### The Conservative Anti-British Attitude.

But the Conservative party went further than that. To support their Protectionist principles, and combat the arguments against them, they argued that Free Trade had been a bad thing for

Great Britain. No less a person than Sir Hibbert Tupper, when he was Minister of Marine and Fisheries, made use of the following language in the House of Commons, in respect to Great Britain:

"Driven from the civilized markets of the world, steadily, and every year finding their output to those markets decreasing, they spend millions on their navy, and millions on their army to force their wares and their goods, and their merchandise into the uncivilized markets of the world." (See Hansard, April 6th, 1894, page 902).

This was the language of one of the Queen's Privy Councillors, a son of the then Leader of the Opposition. What do the people think of it? A fouler slander on the fair fame of Britain never was uttered.

Every one has heard of the Tory pet phrase, "So much the worse for British connection," which was made use of in reply to arguments that the National policy discriminated against Britain.

#### The Conservative Huckstering Resolution of 1892.

The attitude of the Conservative party on the Preferential Trade question was embodied in the following resolution, moved in the House of Commons, in April, 1892, by Mr. McNeill, one of their number:—

Resolved, "That if and when the Parliament of Great Britain and Ireland admits Canadian products to the markets of the United Kingdom upon more favorable terms than it accords to the products of foreign countries, the Parliament of Canada will be prepared to accord corresponding advantages by a reduction in the duties it imposes upon British manufactured goods."

#### The Liberal Preference Foreshadowed.

To that motion an amendment was made by the Hon. L. H. Davies, which read as follows:

"Inasmuch as Great Britain admits the products of Canada into her ports free of duty, this House is of the opinion that the present scale of duties exacted on goods mainly imported from Great Britain should be reduced."

The motion was carried, and the amendment defeated by a straight party vote. Every Liberal voted for the amendment.

#### How the Conservative Anti-British Policy was Received in England.

The Conservatives professed to be willing to allow British goods to come into Canada at a slightly lower rate than was imposed on the goods coming from other countries, but only on condition that Great Britain would grant Canada a preference in her markets by imposing duties on wheat and other natural products of Canada which might be imported into Great Britain from other countries. They clung tenaciously to their fetish protection, and would not lower their tariff walls, even to Great Britain, without a quid pro quo. Great Britain had all along admitted, free of tax or restriction, the produce and merchandise of Canada.

How was the Conservative policy received in Britain? It was considered, of course, but not very seriously, and never with a view to its acceptance. No public man of any standing in Britain announced his willingness to accept preferential trade on such conditions. Mr. Joseph Chamberlain, the then Imperial Secretary for the Colonies, speaking of the proposal in March, 1890, said:

It is a very startling proposal for a free trade country, and I say that in its present form it is impossible for us to adopt.

It involves the imposition of a duty—it may be a small one, but it is a duty—upon food and upon raw material, and whatever may be the result of imposing such a duty the tendency is to increase the cost of living, which would intensify the pressure upon the working classes of this country, and it would also have a tendency to increase the cost of production, which would put us, of course, in a worse position than now in competition with foreign countries in neutral markets.

The advantage offered is not enough to induce this country to take the certain loss and the possible risk which would be involved in revising altogether its present commercial policy.

The second point, which is much more important, is that our foreign trade is so gigantic in proportion to the foreign trade of the colonies that the burden of an arrangement of this kind would fall with much greater weight on the United Kingdom than upon our fellow-subjects in the colonies.

I therefore think we may fairly ask them to better their offer.

### The Praise of the British Press for the Liberal Preference.

The London Times: "The new departure (the Preferential Tariff, 1897) is most gratifying to all who desire to see the Empire knitted more closely together. It is the most remarkable step yet made toward the fiscal confederation of the Empire.

If every British Colony should follow suit and the day comes that free trade exists from one frontier of the Empire to the other, it will be a mutual satisfaction to recall the circumstances of the first step in the initiation of that policy."

Mr Fielding's statement (the Budget speech, 1900), contains many points of interest to people in this country. One point transcending all others is the patriotic spirit of Imperial solidarity in which the speech was conceived, delivered and acclaimed.

"It was not the mere statement that the past year was the most prosperous in the history of Canada that caused the speech to be punctuated with patriotic cheers and followed by the singing of the National Anthem. It was rather the common feeling that the past year had witnessed and sanctified the close affection binding the Dominion to the Mother Country in a community of sacrifice, sorrow and achievement, these real cords of man, these true bonds of Empire. It was not the common felicitation over a prosperous balance sheet, nor even the new adjustment of fiscal relations, however advantageous and desirable in itself."

After referring to the increased preference in favor of Great Britain, from 1st July, the *Times* adds: "There is no immediate suggestion of reciprocity in this graceful, gratifying concession of Canada to the trade of the United Kingdom. The reciprocity so far is the natural consequence of a fiscal policy adopted by Canada with Great Britain to the advantage of both parties. Without recasting our whole fiscal policy, we have no other reciprocity to offer.

"We hold that the best form of reciprocity is in the abstract, that in which two countries exchange their respective products as freely as possible without let or hindrance from fiscal barriers on either side. Perhaps in the concrete the

next best form might be a common fiscal tariff for all parts of the Empire, but the time for that is evidently not yet. The two ideals are economically irreconcilable perhaps, but some day it may be found politic to subordinate the purely economic ideal to the larger ideal of a consolidated united Empire.

"It was perhaps within the bounds of possibility, said Mr. Fielding, that England might be induced to impose a duty for the benefit of the colonies. We do not question the possibility in the abstract, but inasmuch as Canada found her advantage in successive reductions of her tariff in favor of a country imposing no duties except for revenue purposes, perhaps it is equally possible that the solution of the problem of the Imperial zollverein may in the end be found in the common acceptance of a policy of free exchange rather than in the reversion to a policy of protective duties and preferential tariffs."

The *Daily News*: "As patriots we welcome this significant display of attachment from the greatest of our Colonies, and as Liberals we congratulate the Leader of the Liberal Party of the Dominion."

*London correspondent, New York Times*: "For the first time in my experience England and the English are regarding Canadians and the Dominion with affectionate enthusiasm."

*British correspondent, Montreal Star Conservative*): "The Budget Speech of the Hon. Mr. Fielding, Minister of Finance, Canada, attracts a good deal of attention. I heard a Conservative member of Parliament say, this morning, 'Our Ministers jaw, jaw, jaw, and do little but jaw about the unity of the Empire, but Canada keeps on doing, doing, doing.'"

*The London Standard*:

The *Standard*, after congratulations on the prosperous year says: "It is scarcely less pleasant to hear of the success that attended the experiment of preferential trade with Great Britain. On this question Sir Wilfrid Laurier and his colleagues adopted what on the face was a more sentimental policy than was considered proper by Sir Charles Tupper and the Opposition. While the latter always insisted that Great Britain must alter her

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fiscal system and give a preference to Canadian products if Canada lowered her duties on British goods, Sir Wilfrid, putting all such conditions aside, boldly made a reduction of 25 per cent., in favor of British imports.

After reciting the proposed extension of the preference, it adds: "This is to be carried out without any claim of reciprocity from us. Though the Imperial Government would no doubt be promoting Canadian interests if it could accept the arrangement for admitting colonials to the privilege of trust investments in this country, the prospects of the adoption on our part of anything like a zollverein were discussed by the Finance Minister with complete appreciation of what is practicable in the United Kingdom.

"The supporters of preferential trade within the Empire will welcome the beginning made by Canada as the one way in which, if ever, such a thing might most easily be brought about. It is, however, not a question of immediate importance, and in the meanwhile, without complete reciprocity, it appears that both Canada and the United Kingdom reap the advantage of the one-sided preference now given. The Dominion obtains an increase of trade. The British importers pay a lower duty."

*The London Financial News:*

The *Financial News* says:—"We are not grateful merely for what Canada is doing for the Mother Country in the field, or in the less glorious sphere of commerce. What appeals most strongly to our instincts is the splendid example Canada is giving to her younger sisters. Let the Australian note well that the financial prosperity and the political vigor which show in every sentence of Mr. Fielding's speech could be attained only by a federated Canada. Let the Australian colonies dwell on the fiscal stability of the Dominion. Let them emulate the course of Canadian statesmen.

"Meantime the example of what Canada has been able to achieve with her own financial credit should give a strong impetus to the Australian longing to make federation real and unimpaired by local and colonial jealousies. The privilege earned by Canada of having her debt recognized as trustee security is one the

Australian colonies greatly desire, and they have now a good idea of what they must do ere it is conceived.

"We have need to envy the fiscal insight of the Canadian Government, and in the disinterestedness of her people she plainly shames us for sacrificing the welfare of the colonies which still reverence the Imperial connection by refusing to discard the fetish of a fiscal policy that has survived its usefulness."

*The Westminster Gazette* says:—"We are grateful to Canada for the feeling towards Great Britain, also for the hint that she hopes rather than expects reciprocal preference some time. But Canada would do well to base her calculations on the supposition

stick to the free trade system."

*The London Outlook:*

"The zeal of the tariff Imperialists in Canada commands British sympathy and admiration all the more because a British tariff discriminating in favor of colonial products is as impossible to-day as ever. The pillar of the Empire's strength is its free trade; it must remain the Empire of the Open Door as far as home products are concerned."

*The Bullionist* says:—"We make bold to say never in the history of an English dependency, and rarely in the history of the Mother Country, has a Finance Minister been able to conclude his annual statement with such a stirring peroration as Mr. Fielding in the Dominion House of Commons on Friday.

"The distinction between Sir Charles Tupper or the Conservative policy and Sir Wilfrid Laurier or the Liberal policy is clear. Under Sir John Macdonald, while Canada's trade with the United States was advancing by leaps and bounds year after year, the trade with the Mother Country was stationary or declining. The Conservatives in Canada, we must acknowledge, were always anxious, as were the Liberals, to see this state of things altered.

"Their remedy, when stripped of its verbiage, resolves itself into an Imperial zollverein with protective duties against the produce and most of the manufacturers of foreign countries. Liberals have no objection to a zollverein, but point out that it creates trade by protection, and is bad policy and false economy. Let us

### The British Outlook.

rather, they say, show first that Canada can supply Great Britain with produce, and that Great Britain will find it profitable to ship us manufactures. We, they urge, have produce; you in Great Britain have manufactured articles, but unless some inducement could be offered to Great Britain she was not likely with the world's markets at her disposal to come to Canada for something she could obtain on more advantageous terms elsewhere; so while the Canadian Tories were waiting for the millennium to come to them, the Canadian Liberals set about seeing what could be done to bring about closer trade relationship between the Dominion and the Mother Country.

"With no great flourish of trumpets Sir Wilfrid Laurier announced the new trade policy of his Government. In the Diamond Jubilee year they determined to give a preference to British goods. They asked nothing in return. The result of this spontaneous act is happily described by Mr. Fielding when he pointed out that though there was no preference for Canada on the statute books of Great Britain there was a preference in the hearts of the people, as was made manifest by the large increase of trade between the two countries.

"Mr. Fielding was right when he stated that the Canadian Opposition was asking too much in demanding the imposition of the tax by Great Britain on foreign foodstuffs. In Imperial matters both we and the colonies must attempt to be practical.

"The English want lessons such as Canada is teaching them to-day, such as we are pleased to think they are learning. The day of a close-knit Empire may be nearer than we dream of, but when Confederation is an accomplished fact the work of Canada's statesmen will not be forgotten."

*The Financial Times:*

The London *Financial Times* :— "The prosperity of the Dominion, thanks to a Government which, with Sir Wilfrid Laurier at its head, has reached as near the ideal of a self-governing British colony as is possible in this imperfect world, has been extraordinary, and yet it has had few of these ephemeral features which will tend to the belief that it is short-lived."

*The Globe*, April 27th, 1900, Toronto, in referring to the British *Outlook*, said: "In the last issue of *The Outlook*, considerable space is devoted to Canadian affairs, and the series of actions by which the Laurier Ministry created a new Imperialistic era, are hurriedly recited. The first was in 1897, when tariff preferences were established for British goods. When the Government took up this policy there were obstacles in the way. Preferences for Great Britain would conflict with British treaties with Germany and other European nations. Canada, however, declared what its policy was and for the first time in history the Home Government terminated treaties at the instance of a colony. The preference so brought about aroused immense enthusiasm in Great Britain—an enthusiasm which was revived in all its generous force when Sir Wilfrid Laurier represented Canada in the jubilee celebrations of 1897. His attractive personality, and the fact that he is a French-Canadian would have in any event secured for him a great popular reception. These combined with the fact that he is the author of the preferential tariff, made him tower above all the Colonial Premiers, and brought Great Britain and Canada into more hearty sympathy than at any time previously. The establishment of a penny post between Great Britain and all her larger colonies, again on the initiative of Canada, grew out of the home-coming of the colonials at the Jubilee celebration. Then followed the despatch of the Canadian contingents to South Africa. And now, says *The Outlook*, as a result of all this drawing closer of the colonies to Great Britain, British statesmen are confronted with the problem as to how the Empire can avail itself of the services of colonial leaders like Sir Wilfrid Laurier in its councils."

The Yarmouth, Eng., *Independent* (March 31), says:—"In these circumstances the Canadian Government felt encouraged to increase the preference to 33½ per cent., as from the 1st of July next. This generous and enlightened policy on the part of the Dominion cannot but be most acceptable, not only to British manufacturers, but to the nation

as a whole, and it is to be hoped that it may be followed by similar actions on the part of other of her Majesty's colonies. They may be sure that if they accept the lead of Canada they will lose nothing by it, for there is rapidly developing in this country a phase of Imperialism to which nobody can object, a disposition to accept the goods of our brethren across the sea in preference to those of foreign nations. It must be a matter of great gratification to the people of Britain to read of the almost phenomenal prosperity which Canada is enjoying. The financial returns for the year 1898 were satisfactory beyond all expectation, but they have been excelled by those of 1899, the most prosperous year in Canadian history. Without going into detailed statistics, it may be said that nearly all sources of revenue show a large increase, and that the outlook for the approaching financial year is equally favorable. One very practical result of this prosperity is found in an increase in the number of immigrants, and particularly in the eloquent fact that many people are leaving the United States to settle in western Canada with the prosperous, contented and happy inhabitants of a country which has been foremost among British colonies in its devotion to the Mother Country."

*The Bristol Mercury:*

Discussing the Canadian budget, *The Bristol Mercury* (March 27) said: "Apart from the question of sentiment, we have an additional interest in the finances of the colony through being its best customer. Canadian products are finding a greatly increasing sale, and the preferential reduction upon British goods has also helped to augment the volume of trade. Such good results have followed the preferential reduction that the authorities are going to make further concessions. We need not dwell upon the loyal expressions with which the Minister of Finance terminated his admirable budget speech. The loyalty of Canada, as well as of the colonies, has been demonstrated in 'blood and treasure,' and the result is apparent in the deepening of the sentiment which binds the Empire together. Canada may well look forward with confidence to the future. Secure in the finances of the country and secure in the ties of relationship with the mother coun-

try, the colony has a prosperous career before it, and will do credit to us as well as credit to itself in the race that the world has set."

*The Country Gentleman:*

Under the heading "Canadian Imperialism" the London *Country Gentleman* (March 31) said:—"Following as it does an extraordinary display of Imperial patriotism, Canada's latest patriotic effort is most gratifying. It is about three years ago that the Canadian Government first decided to give a preference to British goods by a reduction in the duty of 25 per cent. That came into operation in August, 1898; and now after eighteen months' experience of the operation of the new tariff it is announced that the preference to British goods will from July 1 be increased to 33½ per cent. Of course it has been shown that a rebatement of duty to goods of British origin is a most advantageous policy from a fiscal and commercial point of view; but none the less it is satisfactory to see the genuine loyalty with which the proposal has been made and met in our great North American colony. Another example has thus been set to other British possessions, and the experiment which has already proved so successful both to the mother country and to Canada may encourage our cousins under the southern cross to make similar concessions when forming the Federal tariff, which, it is hoped, it may be found possible to arrange for in connection with the scheme of federation under discussion."

The Bradford, England, *Observer*, March 27, said:—"The Laurier Administration is so well satisfied with its preferential tariff in favor of English goods that it is about to increase the drawback from 25 per cent., at which it stands, to 33½, so that after the 1st of July, in the words of Mr. Fielding, 'for every three dollars imposed on the products of foreign countries only two dollars will be imposed on the products of Great Britain.' The Conservative Opposition, as voiced by Sir Charles Tupper, regards this policy unfavorably, and holds to reciprocity; preference to Great Britain is well enough if Great Britain is willing to give preference to Canada, otherwise it is mistaken philanthropy. Mr. Fielding vindicates his policy on the ground that

the fact of concession generates a friendly sentiment towards Canadian products in British markets, and, as we have seen, he is able to render a very satisfactory account of his stewardship. But whilst he is at issue with Sir Charles Tupper on the point of waiting for British reciprocity, he is at one with him in deeming it. What is more, he thinks that it may come about some day. No British statesman or Cabinet rank had yet ventured to approve the scheme (surely Mr. Chamberlain gave it his blessing), but 'the splendid Imperial movement which was now attracting the attention of the world might one of these days override the hitherto accepted principles of British political economy. Well, the Imperial movement is doubtless very remarkable, but we imagine that others than political economists will have a good deal to say before the English people are persuaded to 'a reimposition of the tax on bread-stuffs.'

The *Montreal Witness* (Independent Liberal) said:—"If the Dominion Government steadily pursue their policy of increasing the Imperial tariff preference they will some day place Canada on the basis upon which only, Mr. Chamberlain says, a zollverein for the whole empire might be established—that is, free trade between different parts of the empire. This is what Sir Charles Tupper used to call Chamberlain's offer of a preference to Canada, and he used to denounce Sir Wilfrid Laurier for his alleged rejection of it. Sir Wilfrid Laurier was not prepared to abolish the Canadian tariff against the empire at one sweep in order to encourage such a zollverein. Is Sir Charles Tupper ready to do so? If he is, why is he now demanding a modification of our Imperial preferential tariff in the direction of protecting manufacturers?"

*London Daily Chronicle*, June 16, 1897: In Mr. Laurier a great man has come among us, and, though he himself is far too diffident to say or even to think so, he has a great message for England. In him we have the elected head of the only federation in the British Empire. The seven colonies of Australasia have sent Premiers, and they are teaching us much that we should know of the evolution of British institutions in all variety of

forms. Canada, too, has seven colonies, with striking differences of climate, race and creed, but she sends not seven, but one Premier the federal head of all. Thus Mr. Laurier stands out as a great object lesson in British rule, and no who listens to his incisive and persuasive oratory can doubt that, judged by the standard of British statesmanship, he is an ideal spokesman for the people who have shown the path by which, first, each group of colonies, and then, perhaps, the Empire as a whole is destined to reach its full development!

Sir Howard Vincent, at a speech in Toronto, on September 20, 1904, spoke of the development of Canada as the granary of the empire, and during the remainder of his address continued to eulogize Canada for having set the example of a preferential tariff for the empire. The example had been followed by New Zealand, South Africa, and would be by Australia. That Canada, in such a short space of time should achieve so much was something to be proud of from ocean to ocean. He acknowledged the slowness of Great Britain to adopt the principle, but allowance had to be made for the conservatism of the old country. The result of the preference was shown in the splendid diagrams published by the Dominion Government.

#### An Opposition Assertion Exploded.

One still hears echoes of the remarkable tory assertion, used in the general election of 1900, that a preference was offered to Sir Wilfrid Laurier when in England at the Jubilee of 1897, and that he refused it.

On the hustings and in Parliament the Conservative leaders frequently declared that the Premier has basely betrayed Canada's interests, that he was met almost on his landing in England to attend the jubilee festivities, by the Duke of Devonshire, who made a speech offering the great boon of preferential trade in unmistakable terms.

It would seem necessary therefore to again show up the dishonest attempt to gain a political advantage at the expense of truth. Fortunately the evidence is conclusive to any fair-minded man.

Sir William Mulock in the House of Commons on July 19, 1899 read a copy of a letter that he wrote to the Duke of Devonshire, in which he quoted Sir Charles Tupper's utterances as to the alleged offer made by the Duke, and asked the Duke whether he made such an offer, or any offer, to Sir Wilfrid. He also read the reply of the Duke, which in effect was that he had no authority to offer and did not offer to Canada a preference in British markets, and that none of his speeches support the view of his opinion of the policy of granting preferential trade to the colonies, which appears to have been held by Sir Charles Tupper. Below is a copy of Hon. Mr. Mulock's letter and the Duke's reply.

OTTAWA, 18 APRIL 1899.

My Lord Duke of Devonshire,  
The Mail and Empire, Toronto, on the date of the 23rd February, 1899, upon page 7 of which you will observe a report of a speech of Sir Charles Tupper, delivered at Toronto the previous evening, wherein Sir Charles is reported as having spoken as follows:

"During the campaign of 1896, Sir Wilfrid Laurier had gone from hustings to hustings saying that he was as much in favor of preferential trade as Sir Charles Tupper. He had given his solemn pledge that if placed in power he would send a commission to England to negotiate with Lord Salisbury for preferential trade. He became Premier and went to England in the midst of all the glory of a great Jubilee, at the time when everything was favorable to such a policy. He was met, almost on landing, by the Duke of Devonshire, who made a speech offering this great boon in unmistakable terms. In proof of this latter fact, the morning after, every Cobdenite, every ultra free-trade journal in England, denounced the Duke of Devonshire for having gone over to the other side, and of having adopted Imperialistic views. The speeches of the other colonial Premiers delivered at the same time also showed what the trend of the offer was."

"But," asked Sir Charles, "what did this man (Sir Wilfrid Laurier) do? Why he turned his back on his solemn pledge and declined the boon."

I take the liberty of inquiring whether you made to Sir Wilfrid such an offer as is stated by Sir Cobden, or any offer to give to Canada a preference in the market of Great Britain, and, if so, would you have the goodness to state the particulars of such offer.

Sir Charles states the occasion of the offer being made as almost at the time of Sir Wilfrid Laurier's landing in England, and I presume Sir Charles Tupper's statement is based upon some public utterance of your Grace about that time. Is on any public occasion during Sir Wilfrid Laurier's visit to England in 1897, your Grace made any public declaration upon the subject, might I ask, if your remarks were accurately published in the British press, and, if so, where I could procure authentic copies of any papers containing reports of your speeches upon the subject?

If it is not too much trouble, I should be most grateful if your Grace could cause to be sent to me copies of any public journals containing speeches of your Grace, having any reference to preferential trade in favor of Canada in the markets of Great Britain.

When in England last summer I observed an article in "The Mail," referring to statements published in the *Toronto Mail and Empire*, to the effect that your Grace had offered to give Canada preferential trade to Canada, and that Sir Wilfrid Laurier had declined it. Sir *John Britannia* challenged me to produce the article in "The Mail and Empire."

I would be most grateful to be permitted to make public use of your Grace's reply.

I am, my Lord, Your Duke,  
Your Grace's very obedient servant,  
(Signed) Wm. Mulock.

His Grace the Duke of Devonshire, K. G.,  
Devonshire House,  
78 Piccadilly West,  
London, Eng.

PRIVY COUNCIL OFFICE,

2nd May, 1899.

MY DEAR SIR.—I beg to acknowledge the receipt of your letter of 1st April.

The best answer I can give to your inquiries is to enclose to you a copy of the report of the speeches made on the va-

rious occasions in the summer of 1897, when I had the pleasure of meeting the colonial Premier, in my capacity as President of the British Empire League.

I do not think that in any of those speeches you will find anything to support the view of my opinion on the question of the policy of granting preferential trade to the colonies, which appears to have been held by Sir Charles Tupper, and by some of the journals in this country, which seek to attribute what they term "Protectionist heresies" to members of the Unionist Government.

It was, no doubt, my speech at Liverpool on the 12th June, 1897, which was referred to by Sir Charles Tupper, and my admission that free trade had not done for us all that was expected, may have been commented on by free traders, or Opposition journals.

But while I congratulated Sir Wilfrid Laurier and the Dominion of Canada on the offer which had been made to admit British goods at reduced rates, as compared with those on the goods of other nations, as an important step in the direction of the Imperial Unity, I had no authority to offer, and did not offer to Canada, a preference in British markets.

You are at liberty to make what use you please of this letter.

Believe me, my dear Sir,

Yours faithfully,

(Signed) DEVONSHIRE.

The Hon. Wm. Mulock.

(See Pages 7843 to 7845 Hansard, Session 1899)....

#### The Wisdom of the Government's Policy.

The wisdom of the Government's policy has been amply and fully manifested. The Government saw beyond, they looked into the future, and recognized that if ever the possibility of Canada getting a preference in the British markets were to become an actual reality, it would not be brought about by any huckstering policy on the part of Canada, but it would come as the result of a grand Imperial sentiment which would override all questions of an economic nature. The step taken by the Government did more to

create and develop that sentiment than any action that had prior thereto been taken in the history of the Empire.

#### The Growth of Imperial Sentiment.

Although the Liberal Government did not bargain for a preference in the British markets, as a matter of fact they got a preference. The hearts of the English people were touched by Canada's practical exhibition of loyalty and good-will, and although there was no law on the statute books compelling British consumers to prefer Canadian goods, it is an undoubted fact that since the adoption of the Preferential Tariff the demand for Canadian produce has greatly increased and still continues to increase. The trade figures substantiate these observations.

#### The Tory Opposition to the Preference.

The Conservative party, while stigmatizing the preference as a myth, a sham, and a fraud on the British people, never by a formal vote objected to its adoption by Parliament, probably because they did not have the courage of their alleged convictions. They were, however, forced to declare themselves on the question at the session of Parliament, held in 1900. Dr. Russell, Liberal member of Parliament for Halifax, moved an amendment on a motion to go into supply, which was in the following terms:

"That this House regards the principle of British preference in the Canadian Customs Tariff as one which in its application has already resulted, and will, in an increasing measure, continue to result in material benefit to the Mother Country and to Canada, and which has already aided in welding, and must still more firmly weld together the ties which now bind them, and desires to express its emphatic approval of such British preference having been granted by the Parliament of Canada."

After a long debate a vote was taken which resulted in the Conservative party unanimously voting against the amendment.

#### Tory Lip Loyalty.

They by that vote declared themselves against the preference to British goods.

and that if perchance they should be brought back to power, they will repeal the Preferential Tariff and deprive the Empire of the splendid achievement which Canada and the Liberal party has given to the history of preferential trade. They declared themselves against the policy which was hailed with the utmost enthusiasm by the British public, press and Parliament, which was warmly welcomed and commended by Her Majesty's Government, who described it as a measure "which cannot fail to result in material benefit to the Mother Country and to Canada, and to weld together still more closely the ties which now unite them." They declared themselves against the policy which has been of untold benefit to Canada, which materially raised the status of the country among the nations of the world, and which was declared by leading public men and leading newspapers of Great Britain, to be the most important step theretofore taken, towards the unification of the Empire. They have disregarded the feeling of satisfaction with which the policy of the Liberal Gov-

ernment was received by all true Imperialists and loyalists in Canada. They have disregarded the popular opinion of Great Britain, which is unalterably opposed to putting a tax on their bread-stuffs and raw material, and have gone back to their old policy of talk, talk, talk, but no action. But they were ever lip loyalists.

### Canada Leading the Way.

In conclusion, it would be well to reproduce the words of Hon. W. S. Fielding, in introducing the original Preferential Resolutions:

But why should we wait for England to take action? England has dealt generously with us in the past. England has given us a larger degree of liberty perhaps than is possessed by any other country on the face of the earth. She has given us liberty to tax her wares even when she admits our goods free, and we have taxed them to an enormous degree. Why should we wait for England to do more? Someone must make a move in this matter, and we propose that Canada shall lead the way.

## CHAPTER XIII.

### THE CUSTOMS DEPARTMENT.

#### EFFICIENTLY AND ECONOMICALLY ADMINISTERED.

##### Many Reforms Instituted.

In the latter period of the Conservative administration, the Press of Canada continually recorded the dissatisfaction of the mercantile community with the administration of the Customs and Tariff laws. The laws and regulations were rigidly and harshly applied, and this gave rise to bitter grievances, many of which were vented in Parliament. The collection of taxes is never a pleasant duty, and it is by no means easy to carry out the law with the minimum of friction, and at the same time render every possible facility to trade. Conservative heads of the Customs Department evidently were unsuited for the task, and it was left to the Hon. Wm. Paterson to popularize the Department, as far as it could be made popular. A business man himself, one who prior to his accepting Cabinet rank, had been many years engaged in an industry of considerable magnitude,—he applied sound commercial principles in his administration. His maxim has been, "the greatest facility to trade consistent with due protection to the revenue." He liberalized and broadened the policy of the Department, removed harsh and irksome restrictions, abolished red tape, and made it as easy as possible for the merchant to transact his business.

##### The First Reform.

One of the first and most important reforms he instituted was the adoption of a regulation requiring exporters of goods to Canada to certify on their invoices that the invoice price represents the value at which the goods are sold for home consumption in the country of export, or, if it does not, to show such home consumption price on the margin of the invoice. The wisdom of and necessity for this will be observed when it is explained that, under the law, the standard of value

for duty of imported goods, is the home consumption selling price in the country of export. The exporter is in the best position to know the home price, and the certificate obliges him to communicate the information to the importer, so that the latter may be enabled to make a proper Customs Entry. The regulation also enables the Department and the importer to hold the exporter responsible for false or irregular invoices. It has, moreover, had a beneficial effect on the Revenue. Formerly all the exporter had to do was to certify that his invoice was true and correct.

##### Publication of Trade Statistics.

Another very important change effected in the interests of the business community, was the publication of trade statistics. The official returns showing the details of imports into, and exports from, the country, had been published annually, and then not, as a rule, until several months after the close of the fiscal year. The information was, therefore, too ancient to be of any practical value to business men. The Liberal Minister established in 1900 a Statistical Branch of the Department, and, in addition to the annual volume, arranged for the prompt publication of monthly returns. By this means the merchants and manufacturers of the country are kept promptly informed of their foreign competition in the home market. This move has been highly appreciated by the mercantile community, and Mr. Paterson was formally thanked for it by the Canadian Manufacturers' Association.

##### Uniformity in the Collection of Revenue.

One of the prime objects of the Minister has been to secure uniformity in the collection of the revenue. Parliament having decreed that duties shall be imposed on imported goods, it follows, as

a matter of right and justice, that all importers should be treated equally. Mr. Paterson's persistent efforts to ensure uniform taxation has been successful in a large measure. In this connection it might be noted that the absence of serious friction with merchants in recent years bears the best possible testimony to the efficiency of the administration.

The uniforming of Customs Officials is another step to which Mr. Paterson is entitled to credit. He took the common sense view that public servants in such capacities should be obliged to wear a distinctive uniform in order that they might easily be identified by the public.

#### The Special Preventive Service.

In 1897 a new branch was established, called the Special Preventive Service, with the object of stamping out illicit trade in liquors from the French Islands of St. Pierre and Miquelon. For many years smuggling operations on a large scale had been carried on from these places, greatly to the disadvantage of honest merchants, but the application of a vigorous policy under the direction of the Minister soon curtailed it in a large measure, and to-day the business is generally considered by old-time smugglers to be too hazardous to engage in. The salutary method of imprisonment was resorted to in the case of notorious offenders against the Revenue laws.

#### Other Helpful Regulations.

Direct importations were encouraged, and the wholesale trade of Canada benefitted by a regulation requiring bills of lading for goods shipped from foreign countries through an intermediate country, to show the original destination of the goods to be a Port of Canada. Failing this, the goods cannot be treated for Customs purposes as imported from the country of original shipment, but as from the intermediate country.

To secure greater accuracy in export statistics, the system of recording exports at the Customs Office nearest to where they originated, was abolished, and it was ordered that all export entries be recorded only at the ports of exit from the country. This is unquestionably the

better way. Under the old system duplication was possible.

#### Increase in the Customs Revenue.

The work of the Department has greatly increased in recent years. In 1896 the revenue was \$20,219,037, in 1903 \$37,110,315. This great increase has involved a considerable addition to the staff of officers. The development of the country, particularly in the West and the North-west, has also necessitated the establishment of many new offices and collecting stations.

#### An Economically Managed Department.

Adverting to the financial record of the Department, it is pleasing to record the fact that wise economy has been exercised. There has, it is true, been a considerable increase in the expenditure, but it has been abundantly warranted and justified by the development that has taken place. It would be absurd to expect that \$37,000,000 in Customs duties could be collected in 1903 for the same cost that \$18,000,000 was collected in 1895. Such an enormous increase involved increased charges of collection, and more officers and more ports have been required.

#### Increase in Revenue and Expenditure.

In 1895 the expenditure of the Department was \$917,632, in 1903 \$1,229,028, an increase of \$311,396, or 34 per cent. 1895 is taken for comparative purposes, as the accounts for 1896 did not represent the normal annual expenditure. An election was then impending, and with the sole object of making a good financial showing, the Conservatives deliberately starved the Public Service by unreasonably cutting down their estimates. When Mr. Paterson assumed office, therefore, he had to make provision for the payment of a large number of accounts for expenses incurred in 1896. While the expenditure increased between these years at the rate of 34 per cent., the revenue increased during the same period at the rate of 108 per cent., as appears from the following figures:

Customs Revenue, 1903.	...\$37,110,315
Customs Revenue, 1895	.... 17,887,269

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The fairest and best way to test the financial administration of this Department is by a comparison of the percentage cost of collection and of the work actually performed. In 1895 it cost \$5.13 to collect every \$100 of Customs duties, whereas, in 1903 it only cost \$3.31 per \$100. If the percentage of 1895 had prevailed in 1903, the Department would have expended \$674,730 more than it did.

#### The Volume of Work.

The volume of work is illustrated as follows:

	1895.	1903.
Inward entries	501,357	840,447
Outward entries..	90,130	205,599
Railway exports..	574,721	1,048,845

It should be mentioned that a consider-

able portion of the increase in expenditure represents the cost of improvements and new services adopted by the Liberal Minister. For instance, \$40,000 was the excess cost of the new system whereby the public are furnished with the monthly record. About \$20,000 additional is expended annually for revenue cruisers and preventive work to stop whisky smuggling from St. Pierre and Miquelon. A further sum of \$3,000 is expended for officers uniforms.

To sum up, the Customs Department has, since 1896, been conducted on sound business principles and its administration has commended itself to the business public. The Minister of Customs is eminently fitted to be the head of the Customs Department, and the public fully recognizes that he is qualified for the important portfolio he holds.

## CHAPTER XIV.

### THE NEW NATIONAL TRANSCONTINENTAL LINE.

#### 22 REASONS FOR THE CONSTRUCTION OF THE GRAND TRUNK PACIFIC SYSTEM.

##### A SERIES OF UNANSWERABLE ARGUMENTS.

1. BECAUSE it doubles the industrial and productive area of Canada.
2. BECAUSE it doubles opportunity for every man in Canada.
3. BECAUSE it offers the shortest and best all-Canadian line from tide water to tide water, summer and winter.
4. BECAUSE it is the only all-British railway across the continent under one management.
5. BECAUSE it is so situated as to be most secure from foreign invasion; giving depth, and therefore, strength to our country, to the advantage of both Canada and the Empire.
6. BECAUSE it gives development and competition in transportation to 1,200 miles of grain-growing country in the West.
7. BECAUSE it develops vast coal fields on the Saskatchewan, Athabasca and Peace rivers, for the supply of fuel to the prairies.
8. BECAUSE it gives the most north-westerly part of the prairie region, which is furthest from the Atlantic, a short outlet to the Pacific.
9. BECAUSE it connects the railway system of Canada with 2,000 miles of steam-boat navigation on the Athabasca, Peace, Laird and Mackenzie rivers, their great lakes and the Arctic ocean.
10. BECAUSE it develops mining and lumbering in northern British Columbia and provides facilities for profitable interchange of mutual necessities between the prairies and the mountain regions of the far west.
11. BECAUSE it ensures a third railway outlet from and through the wheat fields to the lakes.
12. BECAUSE it develops a thousand miles of northern Ontario and Quebec, at present unknown and inaccessible.
13. BECAUSE it cuts nearly 200 miles off the present Intercolonial distance between Quebec and Canada's nearest winter port, St. John.
14. BECAUSE by government ownership and control of rates, with modern construction and adequate equipment, it provides an all-year-round outlet for western grain; and gives the merchants and manufacturers of eastern Canada profitable access to the market of the great West.
15. BECAUSE it does this without land grant, tax exemption or provincial or local aid of any kind.
16. BECAUSE it induces the investment of one hundred millions of British capital in Canada; and correspondingly interests the British public in Canada's welfare.
17. BECAUSE co-operation with the Grand Trunk Company secures effective, satisfactory and business-like operation; ensures fulfilment of all engagements, provides business from the start, and secures the government from payment on its guarantee.
18. BECAUSE by that co-operation all principal points in eastern Canada are put in direct connection with the west without extra cost.
19. BECAUSE it transfers the through-traffic interests of the Grand Trunk, from the Western States to Western Canada.
20. BECAUSE it provides against over-capitalization, for effective government control of rates, and secures running rights to other roads throughout its whole length.

21. BECAUSE an Atlantic outlet for the Canadian Northern, and extension of the Intercolonial to the wheat fields, is provided for without a cent of additional public cost.

22. BECAUSE it gives maximum public control for a minimum public outlay, and absolute security for the financial responsibility assumed.

#### Why was the Grand Trunk Pacific Projected?

This chapter is intended to answer the question, "Why was the Grand Trunk Pacific Railway projected and aided?" and to prove that the opposition to it is confined to a comparatively small section of the party in opposition.

#### The Agreement.

The title of the Act authorizing the construction of this road is "The National Transcontinental Railway Act." It passed Parliament on October 24th, 1903, and was based on the agreement entered into between the Government and certain gentlemen representing the company to be incorporated; representing, also, the old Grand Trunk Railway Company. Those who signed were: Sir Charles R. Wilson, (President of the old Grand Trunk Railway); the Right Hon. Lord Welby, G.C.B.; John A. Clutton-Brock; Joseph Price; Alfred W. Smithers; Charles M. Hays; Frank W. Morse; William Wainwright and John Bell.

These gentlemen were men of the highest character, and of large financial responsibilities. They represented the executive force, without which no great undertaking could be carried through. The date of the agreement with these gentlemen was July 29th, 1903.

The terms of that agreement provided that the company should construct a line of railway on Canadian territory, from the Atlantic to the Pacific Ocean, the longest and probably the greatest of any of the great railway undertakings in the world. In consequence of the growth in population, and rapid development of the production and trade of Canada, es-

pecially western Canada, and with a view to opening up new territory available for settlement in both the eastern Provinces and in the expansive West, it was thought by the Government that the time had arrived for the construction of a second transcontinental railway in Canada. The Government felt it to be their duty to respond to the demand for greater accommodation and transportation facilities. As a fundamental basis of their policy, the Government determined that the road would be a common highway across the Dominion of Canada, from ocean to ocean, and wholly within Canadian territory, feeding and building up Canadian ports.

#### The Terms of the Agreement.

The Act first ratifies the agreement referred to above, so that it will be useful here to describe the terms of the agreement. It begins by reciting the enormous and rapid development of the Dominion, especially Western Canada, and alludes to the rapidly expanding trade of the Dominion of Canada. It is declared to be in the interest of Canada that a line of railway, designed to secure the most direct and economical interchange of traffic between Eastern Canada and the Provinces and territories west of the great lakes, to open up and develop the northern zone of the Dominion, to promote the internal and foreign trade of Canada, and to develop commerce through Canadian ports, should be constructed.

The agreement then sets forth what shall be constructed, viz: "A through line of railway of a standard gauge, between the city of Moncton, in the Province of New Brunswick, and the navigable waters of the Pacific Ocean, at or near Port Simpson, or some other port in British Columbia." The road is divided into two great divisions. The Eastern Division is to begin at Moncton, and to run through the central part of New Brunswick, and through the Province of Quebec, by the shortest available line, to the city of Quebec: then westerly through the northern part of the Provinces of Quebec and Ontario, and through the Pro-

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vince of Manitoba to the city of Winnipeg. The Western Division is to begin at Winnipeg, and to run through the western part of the Province of Manitoba, Northwest Territories, and the Province of British Columbia.

#### Western Division. Prairie and Mountain Sections.

For convenient reference, the Western Division is divided into two sections, the "Prairie Section," and the "Mountain Section." The Prairie Section extends from Winnipeg to the Rocky Mountains, and the Mountain Section from there to the Pacific Ocean.

The company agreed to construct, maintain, and operate the Western Division, and to take a lease of the Eastern Division, and to maintain and operate it upon the terms set forth in the agreement. The company were to approve of the character of the construction of the Eastern Division, and were to have the privilege of appointing a chief engineer, to act along with the Government engineer. The construction of the Eastern Division was to be commenced as soon as the Government made the surveys and plans determining the location of the line.

The Western Division was to be constructed by the company, and at the cost of the company, and it was to be commenced forthwith after the ratification of the agreement by Parliament.

The Eastern Division was to be constructed by the Government of Canada, and then leased for a period of fifty years to the company, which undertook to operate it along with the Western Division, and thus form a transcontinental line. This lease was to contain all the provisions required by the Government for securing the efficient maintenance and operation of the Eastern Division by the company. A deposit of \$5,000,000 in cash was required from the company. The first equipment of the completed road was required to be of the value at least of \$20,000,000, of which not less than \$5,000,000 worth should be supplied for the operation of the Eastern Division. The Government reserved run-

ning rights for the Intercolonial and every other line over the Eastern Division, upon equal terms with the company, and also running powers and haulage rights over the Western Division.

The Government also reserved to any railway company desiring to make use of the Western Division, running powers and haulage rights, and the company was given the same running powers over the Intercolonial.

#### Financial Arrangements.

The capital stock of the company was fixed at \$45,000,000, of which not more than \$20,000,000 should be preferred, and not less than \$25,000,000 common stock. The company undertook that the old Grand Trunk Railway Company should take the whole of the common stock, except the thousand shares to be held by directors, and should hold this common stock so long as the bonds guaranteed by the Government remain unpaid.

For the purpose of aiding the company in the construction of the Western Division, the Government guaranteed payment of the principal and interest, on the issue of bonds to be made by the company, for an amount equal to 75 per cent. of the cost of construction; but the principal amount should not in any case exceed \$13,000 per mile on the Prairie Section, nor \$30,000 per mile on the Mountain Section. The bonds were to bear interest at 3 per cent. per annum, and the company were to pay the interest upon the amount of bonds equal to the principal of the bonds guaranteed by the Government on account of the construction of the Prairie Section; and should default be made by the company, the Government were to take up the coupons representing such interest, and these moneys were to continue to be a charge under the mortgage to be given by the company to secure the guaranteed bonds. Provision is made for repayment by the company, with interest at the rate of 3 per cent. In order to give the old Grand Trunk Railway Company an additional interest in the success of the enterprise, it was agreed that the Grand Trunk

Railway Company should guarantee bonds of the company for the balance required for the construction of the Western Division. These were to be second mortgage bonds, and were to be a second charge upon the property, but the Government charge and mortgage always remained first. The mortgage, which shall be a first charge upon the railway, its equipment and property, tolls, rights and franchises, is to be given to the Government of Canada, to secure the repayment of the issue of bonds guaranteed by the Government.

The freight rates and tolls to be levied and collected by the company when the road is in operation is placed expressly under the control of the Government, by section 39 of the Statute, chap. 71, 3 Edw. VII.

It was expressly provided, and a deposit of \$5,000,000 required, that the company shall continuously and efficiently operate both the Eastern and Western Divisions of the road.

By section 42 of the same Statute, it was declared and agreed, between the Government and the company, that the aid granted was for the express purpose of encouraging the development of Canadian trade, and transportation of goods through Canadian channels; and the company accepted the aid on these conditions, and agreed that all freight originating on the line of railway, or on any of its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely upon Canadian territory, or between Canadian inland ports.

The company also entered into an agreement not to charge any higher rate of freight on goods destined for Canadian ports than they would charge by way of United States ports. In order to keep Canadian trade within Canadian channels, further stringent provisions were inserted in the contract. For example, the Government went so far as to bind the company not to encourage or advise, directly or indirectly, the transportation of freight by routes other than Canadian, and to direct its efforts solely to the conditions upon which aid was granted.

namely, the development of trade through Canadian channels to Canadian ocean ports.

The Government required the company to bind itself to provide shipping connections upon both the Atlantic and Pacific oceans, sufficient to take care of the trade, both outward and inward, at Canadian ocean ports.

Any dispute is to be determined by arbitration, with reference, if desired, to the Chief Justice of the Supreme Court of Canada. The Government also assumed the right to appoint one director of the company.

#### The Amended Agreements

The agreement between the Government and the Grand Trunk Pacific Railway Company had to be ratified by the Shareholders of the old Grand Trunk Railway, in any, in London, England. Sir Charles Rivers Wilson, president, and Mr. Charles M. Hays, general manager, placed the agreement before them, but so tightly had the agreement been drawn, that the shareholders considered that the Government had obtained by far too, a bargain, and it appeared that investors would not invest their money under the terms and conditions of that agreement. In other words, the scheme could not be financed; so the company came back to the Government and asked for two or three changes that would better enable them to successfully finance the project. The amended agreement was cabled from London, and published in the Canadian press in the morning of February 9th, 1904. The amended agreement itself is dated February 18th, 1904. The changes approved may be described as follows:

#### Changes in the Agreement.

The original contract made the return of the deposit by the company of \$5,000,000 in cash with the Government, dependent on the equipment of the whole line of railway. By the new agreement, the application of this deposit to the construction and equipment of the Eastern Division is conditional on Government completion of earlier division as soon as the company completes the Western Division.

The change permits the transfer of the equipment of the Eastern Division to the Western Division, in case the construction of the Eastern Division by the Government is delayed beyond the time when the Western Division is ready for operation.

The original agreement provided for an issue of bonds, with Government guarantee, conditional upon the Eastern Division being at the time furnished with rolling stock to the value of \$5,000,000 and the \$5,000,000 cash deposit still unforfeited in the hands of the Government. The amended agreement dispensed with the tying up of this issue of bonds with the Eastern Division and the cash deposit. The company is also permitted, in case the Eastern Division is not completed at the time the Western Division is ready for operation, to go on and operate the Western Division, and such portions of the Eastern Division as may, from time to time, be completed, without waiting for the completion by the Government of the whole Eastern Division. The Government proposes that the whole Eastern Division shall be completed at the earliest possible moment, but it seems reasonable to allow the company to operate such portions as were completed, in the event of the whole line not being ready for operation.

Another change was made with respect to the common stock to be held by the old Grand Trunk Railway Company, by providing that the Grand Trunk Railway Company should not be prevented from disposing of such common stock; providing, however, that the Grand Trunk Railway Company must continue to hold the majority of the said stock in such a way as to enable the Grand Trunk Railway Company to control the policy of the new Grand Trunk Pacific Railway Company.

The time originally fixed for the construction of the Western Division was December 1st, 1908. This was extended till December 1st, 1911, an extension of time to which no one makes any serious objection.

It is expressly provided that the \$5,000,000 of rolling stock which may be

used on the Western Division, in case the Eastern Division is not completed at the time the Western Division is ready for operation, shall be marked, ready to be assigned to the Eastern Division upon its completion.

A slight amendment is made as regards the issue of bonds for the Prairie Section, but the liability is not increased, and remains at 75 per cent. of the cost of construction, in no case to exceed \$13,000 per mile.

In the original agreement the cost of the Mountain Section of the road to be guaranteed by the Government was limited to \$30,000 per mile. The amended agreement removes this limitation. Whether this increases the liability of the Government or not depends upon the fact, not yet ascertained, as to whether three-fourths of the actual cost of that section, will exceed \$30,000 a mile or not. If it does, then the liability of the Government is somewhat increased.

Paragraph 21 of the contract was amended by adding a clause, providing that in the event of the Government determining to undertake the operation as a Government road of the Eastern Division, the company shall be entitled, for a further period of fifty years, to such running powers and haulage rights as may be necessary to continuity of operation between the Western Division and the other portions of the Company's system and the Grand Trunk Railway system, upon such terms as might be agreed upon.

An additional arrangement provided that in case, during the currency of the lease of the Eastern Division, the company shall have constructed a branch line or lines connecting the Trunk line with other lines in Canada, the Government shall, at the expiration of the lease it shall determine to operate the Eastern Division, take over such branch line or lines as the company may elect not to retain, at such value as may be agreed upon, or be arrived at by arbitration, or reference to the Supreme Court. If, however, any such branch lines shall have received any aid from Parliament, the amount of such aid, without interest, shall be deducted from the valuation, and the difference only shall be payable by the

Government. That is to say, that any aid given by the Government to any branch line which they take back, must be allowed for in the transaction.

#### Original Features Ratified by Amended Agreement.

It will be seen that the amendments in no way modify the important provisions of the original contract drawn up in the public interest. The general scheme is not in the slightest effected by any change. The original features of the contract are not only retained, but expressly confirmed and ratified by the amended agreement.

Let us glance at them again. The company came to the Government and asked permission to pledge a portion of the common stock, so as to assist them in raising money. The Government only agreed on condition that the Grand Trunk should retain a controlling interest in that stock. The question is not of immediate importance. It is only of importance in relation to the capitalization of the railway, and in respect of the amount upon which dividends shall be earned and freight rates be based. If the capitalization is excessive, and there is in the contract a provision which leaves to the company the fixing of freight rates, then the matter would be of immediate importance. There was inserted in the C. P. R. contract a clause providing that until the Company earns ten per cent. upon its capital, the Government would have no control of rates. But under this contract the Government have the most unlimited power to fix the rates of the Grand Trunk Pacific.

#### Under the Control of the Railway Commission.

This transcontinental railway is to come as completely under the control of the Railway Commission as the smallest railway in the country. On page 3582, revised Hansard, 1904, will be found a complete explanation by the Minister of Finance, showing that there is no possibility for watered stock of the company to be considered in the fixing of the freight rates. The main point, therefore, in the change allow-

ing the Grand Trunk to dispose of a portion of the common stock, was to assist the company to finance the construction of the road, and in doing this they had the approval of Mr. Blair, who said :

If the country is so adverse to taking up the construction of this particular road by the general Government, if the country will prefer that the work shall be done by a company, then you will have to put the instruments into the company's hands to enable them to raise the money. Before the company is put upon its feet, you must offer special inducements to financial men to put their money in it.—(Hon. A. G. Blair, on Grand Trunk Pacific Bill, Hansard, 1903, p. 5147.)

The President of the Grand Trunk Railway Company, and the chief officials, were not able to secure for the original agreement, that consent of the shareholders of the old Grand Trunk Railway Company which was necessary before the contract could be carried into execution. Some of the directors and shareholders thought the clause too stringent with respect to the common stock, that it would operate against the financing of the road, and perhaps cause them financial loss. They, therefore, said to the Government, our people believe that we must have, to use Mr. Blair's words, "the instruments to enable us to raise the money," and the Government preferred allowing the change rather than imperil the great enterprise. Men can recall that after the enormous aid and privileges given to the Canadian Pacific Railway Company in 1881, they came back and said, "unless you can let us have \$30,000,000 more, we will have to throw the whole thing up." Sooner than do that, Sir John Macdonald granted their request, and gave them the money as a loan. That money was repaid, owing to the success of the enterprise.

Most of the changes described above are of comparatively little importance. Only two are of financial importance. The others were changes to which the Grand Trunk people attached some importance, because they would enable them to remove objections from the minds of the shareholders, and also from the minds of timid capitalists.

The proposal to increase the time for the completion of the road from five to eight years, was made because the company said the Government were to have \$5,000,000 forfeit money, and the shareholders would not consent to the risk of forfeiting that large sum unless there was liberal time for the completion of the road. They do not expect to require eight years. They still think they will be able to complete the road in five years.

The change allowing the company to operate portions of the Eastern Division as they may be completed, without waiting for the completion of the whole, is one to which the Government could not possibly, nor can, any one object.

There was no time limit fixed in the agreement for the completion of the Eastern Division, and so the Grand Trunk Pacific found themselves in the position of being required to provide \$5,000,000 worth of rolling stock, possibly before the division was completed and ready for operation. If the Government are able to complete the more difficult portion of the construction as early as the Prairie section, then the amendment has no effect at all. If otherwise, then it would be unreasonable to tie up \$5,000,000 of the Company's money.

It was also thought a reasonable change to agree that the power of foreclosure, under the mortgage, should not be exercised by the Government until the company shall be 6½ year's interest in default. In the ordinary relations of life, reasonable time would be allowed the mortgagor to overcome his difficulties and make good his default. That does not seem to be a very grave or serious change in the contract.

#### A Common Highway.

The granting to the company of running powers over the Eastern Division, if, at the end of 50 years, the Government determine to operate the road, is in accordance with the policy and design of the whole scheme, that the Eastern Division, or Trunk line, shall be a common national highway between the east and the west.

As regards the branch lines, after 50 years, it might be that some of these branch lines would not be profitable to the Grand Trunk Pacific, but would be profitable to the Government, as owners of the main line. In the case of a short branch it would not pay the company to run it as an independent road, and what might then be an unprofitable transaction for the company, might be a very profitable one for the Government, as owners of the main line.

It will be seen that these amendments are not important, and in no way detrimental to the public interest. But there are two remaining amendments of some financial importance.

#### The Estimated Cost per Mile of the Mountain Section.

The main agreement guaranteed three-fourths of the cost of the Mountain section, not exceeding \$30,000 per mile. On reflection the company thought that the original estimate of cost, \$40,000 a mile, might prove to be too small, and this element of uncertainty, it was agreed, should be divided between the Government and the company, and so the Government agreed to guarantee three-fourths of the cost, whatever it might be. This change involved some measure of increased obligation for the country, but it will not be very great, as \$56,900 a mile, mentioned by Sir Charles Rivers Wilson, is considered a high estimate.

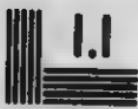
The length of the Mountain section is estimated at 180 miles.

The other clause of financial importance deals with the question of implementing the guarantee on the Western Division. When the negotiations began the money market was in a fair condition and it was thought that a Government guaranteed bond bearing 3 per cent. interest would probably sell at par. When the negotiations came to closer quarters the money market had taken a very unfavorable turn, and the company thought they would not be able to raise the necessary money on a Government guarantee of three per cent. They pointed out that if they had to sell the bonds below par,



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they would be to that extent, short of the means to build the road. If it should be found that the bonds, when they come to be issued, sell at a price materially less than par, to that extent the amendment requires the Government to implement the arrangement by issuing an additional amount

of bonds so as to make the proceeds equivalent to par. By the time we come to issue these bonds the money market may be in a normal condition, and it is hoped that they will sell so close to par that there will be no need of implementing the issue.

## FAVORABLE EVIDENCES OF PUBLIC OPINION.

In speaking of the Grand Trunk Pacific Railway project, the first question asked was, what was the necessity of this road? When that position was found to be untenable, the opponents of the project then took the ground that it should wait until there should be all sorts of investigations held to determine whether the road should be built, and where and, finally, they took the stand that a large and important project like this should be submitted to the judgment of the people. The different policies of the Opposition in Parliament are discussed elsewhere, but their first impulse seems to have been simply to oppose and question, and advise delay.

Now, as to the necessity of the road. It seems almost absurd to answer this, because, outside of politics, every man you meet will admit that there is room for another transcontinental railway, that the time is ripe for it, and the necessity is pressing. The transportation problem closely affects two large classes of the community. In fact, in this country there are almost no other classes than farmers and business men. Both of these classes have repeatedly urged the construction of a second transcontinental railway. The Boards of Trade in the various cities of the country must be taken to represent the business men of the community. The business men form the Boards of Trade. They meet and express opinions by adopting resolutions which are forwarded to the members of Parliament and members of the Government.

### Boards of Trade Favorable.

The St. John, N.B., Board of Trade passed a resolution pointing out the

inability of the present railway system to move the enormous and rapidly increasing crops from the Northwest, and that the rapid influx of settlers into that country would amply justify the Government in building a road, and the Board favored the northerly route from Quebec to Port Simpson.

### Halifax Board of Trade.

The Halifax Board of Trade passed the following resolution:

Whereas, as the transportation facilities of any country are a most important factor in the development of its industries and commerce; and whereas, the Halifax Board of Trade is of the opinion that the time has arrived when another Canadian transcontinental railway should be constructed, and whereas, a line from Quebec north of Lake Winnipeg to Port Simpson, would open up an immense area of fertile lands in the Northwest province, the shortest route from the Atlantic to the Pacific entirely on Canadian territory, and serve the best interests of the Empire from a military standpoint, and whereas, the route proposed between Quebec and Port Simpson should serve the interests of the Maritime Provinces better than any other established or projected route; therefore, resolved, that the Federal government be asked to aid in the construction of such a line, enforcing stringent conditions that will ensure the entire traffic through Canadian ports, both summer and winter.

The Halifax Board of Trade, on July 23rd, 1903, adopted another resolution, expressly naming the Grand Trunk Pacific Railway scheme, the concluding paragraph of which reads as follows:

This Board is also of the opinion that the building of the shortest possible line through Canadian territory, from Quebec to Moncton, would be of immense advantage to the Maritime Provinces, as well as to the rest of Canada, and would secure for the road a large share of through freight and passenger business, which at present is done through United States ports.

### Truro Board of Trade.

The Truro, N.S., Board of Trade comprised, as all these Boards are, of

citizens of both political parties, passed the following resolution:

Resolved, that the Truro Board of Trade learns with interest of the proposed extension of the Grand Trunk Railway system to the Maritime Provinces, connecting with the Intercolonial Railway at or near Moncton, thus giving a competing line for the west, as well as a short line, and one on all-British territory, and hereby requests the Dominion government to afford all possible aid to promote the success of the undertaking.

#### Quebec Board of Trade.

The Quebec Board of Trade adopted the following resolution:

That the Quebec Board of Trade re-affirms the opinion expressed in its resolution adopted on the 4th of December last as to the vital importance to Canada of a choice of a proper route for the construction of the next Canadian transcontinental railway; that it heartily endorses the position taken by the Dominion government in insisting that the terminal points shall be at tide water in Canadian ports at both ends of the line, so as to give its traffic to Canadian ports only, that is to say, by the St. Lawrence in summer, and by St. John and Halifax in winter.

#### Toronto Board of Trade.

The Toronto Board of Trade adopted the following resolution:

Whereas, the Board realize the necessity for another outlet, by the shortest and cheapest route for the fast increasing products of the Northwest country, and the advisability of competition without the extravagance of the duplication of lines.

Be it therefore resolved, that this Board urges strongly upon the government of Canada the construction by the Dominion of a line from Quebec to Winnipeg, traversing the clay belt of Northern Ontario, and passing north of Lake Nipigon to Winnipeg, the use of such railway being permitted to all railroads under proper regulations.

#### Winnipeg Board of Trade.

The Winnipeg Board of Trade, representing that great distributing centre, adopted the following very strong resolution:

Therefore, this Board respectfully urges the Dominion government to take such immediate action as shall remove the grievous disabilities under which the people of Manitoba and the Northwest Territories labor, and to take such further measures as shall effectually prevent a recurrence of the conditions herein described.

The Winnipeg Board of Trade is a body representing a distributing centre

intensely interested in railroad transportation, cut off as the city is from anything in the nature of a great water communication. The 25th annual report of the Winnipeg Board of Trade, held in February, 1903, contains the annual address of the president of the Board, which makes the following allusion to the Grand Trunk Pacific project:

Early in the year the people of the Northwest were much gratified when the announcement was made by the Grand Trunk Railway that it was the intention of that company to push its lines into the Northwest, and on to the Pacific Coast. This announcement was followed by a contract made with the Government of Canada and the Grand Trunk Pacific Railway Company, and ratified by Parliament at its last session, and this contract provides for the construction of a railway from the Atlantic to the Pacific. For a long time the newspapers were filled almost to overflowing with arguments for and against the scheme as set forth in this contract. Without in any way attempting a discussion of the terms of the contract, I do wish to say that in my judgment this country requires another transcontinental road, and no railroad can successfully compete for the business of, or give to its patrons in this country, the service requisite for their needs, without free and uninterrupted communication between the East and the West, over its own lines and through Canadian territory, and it seems to me that the Grand Trunk Railway Company is the company that should construct this new road, because it will give us direct connection with many parts of the East that are now served by their lines. I have no hesitation in saying that it gave me unbounded satisfaction to read the announcement first made by the Grand Trunk Railway of its intentions to enter this country, and I shall hope that it will not be long before the trains of that company are running into our city and across our prairies.

At a special meeting of the Winnipeg Board of Trade, in May, 1903, called to discuss the matter of the projected Grand Trunk Pacific Railway, a resolution was proposed, reciting that the railway freight traffic was in a very unsatisfactory condition, and that the expansion of trade consequent on the settlement of the country, was in advance of the equipment provided by existing lines; also, that there was an urgent necessity for an additional outlet for the heavy traffic now entering and leaving Manitoba, and:

Resolved, that this Board is of opinion that the construction of the proposed transcontinental line under the auspices of the Grand Trunk Pacific within the shortest possible limit of time, would be of immediate and immense advantage

to this city and the Canadian Northwest, and of vast advantage to the whole Dominion.

Therefore, this Board favors the Dominion Government giving such reasonable assistance as it may consider necessary to ensure speedy construction of the said line, and consequent relief from the present difficulties, and this Board would further favor the introduction of a condition into any agreement between the Government and the company, that the line from Winnipeg to eastern points should be made available for any railway desiring to use the same under suitable Governmental regulations. The Board would urge that in any aid or power granted to the said Grand Trunk Pacific, nothing will be inserted that may deprive municipalities on of the proposed route any of their rights.

#### Farmers in the West.

The elected representatives of the farmers of the Northwest Territories, representing all portions of that vast region, adopted a memorial, which concluded as follows:

The prospective increase in the volume of traffic which largely increased cultivation and settlement of lands in these territories will certainly create will further tend to congest traffic between these territories and the provinces of the east, and unless it is held desirable to divert part of this traffic through foreign channels, adequate facilities for transportation must be immediately provided; that this assembly does therefore pray that Your Excellency may be pleased to take such action as may be necessary or expedient to ensure that the people of these territories are provided with an efficient transportation system, as contemplated by the contract made between the people of Canada and the Grand Trunk Pacific Railway.

#### Western Boards of Trade.

The Boards of Trade of the whole of the Northwest Territories, and of the eastern portion of the province of British Columbia, met together as one confederated body, in the City of Calgary, in July, 1904, and, on the motion of Mr. R. B. Bennett, the Conservative candidate for Calgary, seconded by the Hon. T. H. McGuire, another gentleman of Conservative antecedents, adopted the following resolution:

That in the opinion of this convention the development of the resources of the territories amply justify and urgently require the immediate and rapid construction of the projected transcontinental line through the northern part of the country.

That is the voice of the united Boards of Trade of Western Alberta and Eastern British Columbia, and the

Northwest Territories, so that all along the line they are asking for this road.

One would think that these expressions of opinion as to the need of another railway would be taken by most people to be amply sufficient, and justifying the introduction of such a policy. Sturdy Conservatives in Halifax, St. John, Quebec, Montreal, Toronto, Winnipeg, and scores of other points throughout the Dominion, joined in this demand for greater railway facilities, and in their request to the Government to take some step to furnish them.

#### Grain Growers.

The Grain Growers' Association of the Northwest Territories, greatly interested in the transportation problem passed a strong resolution, in which they said that the country was not only being retarded, but that the residents were suffering much deprivation on account of the inability of the existing railway lines to furnish fuel and building material. Merchants complained that they could not get their stocks brought in, and many suffered financial loss on this account.

But there are other evidences, and so as to leave no vestige of doubt of any kind that the demand from the various parts of the country came from Conservatives as well as Liberals, some extracts are here given from very well-known representative Conservatives, endorsing the policy of the Government on this question.

#### Well Known Conservatives Approve.

Mr. J. H. Haslam was the Conservative candidate in Selkirk at the last general election, and this is what he says:

In looking at the map of Canada one cannot help but be impressed with the very small part of it which has been developed. The railway system of Canada at the present time simply touches the fringe of the territory, and it seems to me that those people are very short-sighted who decry the expediency of attempting anything in the way of railway building through any districts except those which are known at the present time to have either agricultural or mineral wealth. I do not believe that there is any part of the world's surface where climatic conditions

are such where civilized man can live that is not adapted to some economic purpose or other. For this reason I believe that the building of the Grand Trunk Railway from Quebec to the Pacific Ocean is a work as far reaching in importance to Canada, and one that will be fraught with quite as great results, as the building of the Canadian Pacific Railway, which was at the time so much criticised. In all the lines which I think essential to permanent progress, we are moving rapidly and, I think, securely, under present conditions. To make a change and place ourselves under the weaker leadership and reactionary policy which seems, unfortunately, to be characteristic of the Conservative party at the present time, would, it seems to me, be most unwise and imprudent.

The above words were written by a man who was a regular Conservative candidate at the last election.

Mr. H. A. Mullen was the Conservative candidate for Russell, in the Manitoba Assembly, a few years ago. He is one of the extensive dealers in cattle, and is deeply interested in the development of transportation facilities. Mr. Mullen wrote a letter, which was published, in which he gave his reasons for supporting the Government's railway policy, as follows:

I consider it to be entirely consistent with sound and progressive conservative principles to approve of and strongly endorse the policy of legislation of the Laurier Government, on the Grand Trunk Pacific question, as being wise and far-sighted, and in the best interests of the entire Northwest, and calculated to result in the opening and building up of a vast extent of country, and in bringing out a full realization of its magnificent possibilities.

#### A Veteran Journalist's Opinion.

Mr. John Hawkes is a veteran Conservative journalist of the Northwest Territories, and in the past has advocated the Conservative policy, very eloquently, from scores of platforms. Knowing, however, the need of the Grand Trunk Pacific Railway, and that his opinion was shared by his neighbors, he took the responsibility of writing a letter to the press, furnishing reasons why the people of the Territories, irrespective of politics, should support this national enterprise. In order that every one shall judge for himself the cogency of the reasons he gives, they are reproduced here as follows:

The inhabitants of the Territories would be justified in welcoming the Grand Trunk if for one reason only. That reason, which stands out,

to my mind, in bold and convincing relief, is that not one of the burdens or abuses which the Territories have complained of in the C. P. R. charter are to be found in the Grand Trunk proposal.

If the Territories were asked to contribute of the remaining wild lands to the Grand Trunk, then might we well pause, and ask ourselves whether we were not paying too great a price for the road. But the Territories do not give an acre. There is no cash bonus; and the Territories do not give a dollar. We shall have the Grand Trunk with spur lines and branch lines opening up the country north and south of it; we shall have the evil spell of monopoly and one-road ascendancy broken absolutely without any first-cost to ourselves. With another outlet to the two oceans, and the control of the rates in the hands of the Government, should we not be even as the ass that braved, if we troubled ourselves very much about the Internecile, or hybridization, or any such secondary matter? truly we should.

If there were any exemption from taxes we might have cause to kick vigorously. But there is no tax exemption. The Grand Trunk will come in as a great tax-payer. It will contribute its share to the expense of schools and roads and bridges. Instead of being a legalized pirate, preying on the labor of the people, it will be a help to school districts, local improvement districts, and to towns and villages. This seems to me an important consideration, and who in the territories would like to assume the responsibility of keeping out this company, which will help develop the country as a tax-payer as well as a common carrier.

If the Grand Trunk were receiving a cash bonus, then we in the Territories might complain, and say we had given enough of our lands to the C. P. R. and other railroads, without paying a toll of cash to the Grand Trunk. But, as before said, the Territories pay not one dollar.

If the Grand Trunk were coming into the Territories with power to impose whatever rates it chose on the people of the Territories, then I would indeed be the first to call a halt, till the people had protection. But the Grand Trunk will not be like the C. P. R. It will not have a free hand and a cloudy charter under which it can demand whatever toll of brick it chooses to levy. There will be Government control of rates.

If the Grand Trunk were coming in with a monopoly of any kind, we might well consider whether we had not just cause to loathe with suspicion on its advent. But it has no monopoly. No disallowance agitation will ever be necessary.

The Grand Trunk Pacific will, in my humble opinion be a boon to Canada at large, and to no part of Canada more than to the Territories. As an old resident of the Territories, I welcome it as the best and most encouraging event that has ever crossed the horizon of the prairie country; and if I might venture one word of advice to my fellow-residents in the Territories, it is that they study the matter on its merits, and refuse to allow any mere question of party to influence them when the development, and to a large extent the whole future, of the Territories are in the balance.

For if we do not get this road, what else is there in sight that will do one tithe as much for us as we may reasonably expect from this new trunk road.

#### Further Conservative Testimony.

As a further proof that public opinion is overwhelmingly in favor of the Grand Trunk Pacific project, the attitude of the *Vancouver News-Advertiser* may be quoted. The *News-Advertiser* is the leading Conservative daily paper on the main land of British Columbia, and it is controlled by Mr. Cotton, a member of the Conservative Government of British Columbia. That paper said:

It appears that as a preliminary condition, the Government requires the railway company to deposit \$5,000,000 as a guarantee that it will carry out the contracts into which it has entered with the Government. The time in which the company is to build the road from Winnipeg to the Pacific Coast is fixed at seven years, and to carry out this arrangement work will be commenced and prosecuted simultaneously at several points. It will be seen, as we expressed the opinion would be the case, that there was no foundation for the report that the Government only proposed to give aid to the enterprise as far as the Rocky Mountains. Unless the line reached the Pacific Coast, its character as a transcontinental road would be lacking, and such a suggestion as that referred to would be such a gross injustice to British Columbia as no Government would be likely to attempt. By the arrangement made for the construction of the western section of the line, there will be no loss of time on that part of it in which the people of this province are the most interested. Any argument that it would be in provincial interests to supplement the Dominion aid with a subsidy, either in cash or land, by British Columbia, is made untenable by the arrangement between the Federal Government and the company. The position we took two years ago in opposing immense subsidies in cash or land that it was proposed to give to Messrs. Mackenzie & Mann is now fully justified by events, and the provincial taxpayers will escape the enormous burdens which it was attempted to put upon them on the pretense that it was part of an enterprising policy to open up British Columbia. The ramifications and connections of the Grand Trunk Company make it the most desirable railway organization that could undertake such an enterprise, as far as the interests of this section of the Dominion are concerned, and it is fortunate for British Columbia that this particular corporation should have put forth its proposition at the time it did. Otherwise there is no knowing to what a reckless Government and an incapable legislature might not have committed the province.

We must await the arrival of the Bill itself before we can be certain of all the conditions of the proposed agreement. It seems, however, that

the Government has taken reasonable precautions to secure the fulfilment of its contract by the company. While it may be quite true that a large part of the region to be traversed by the line between Moncton and Winnipeg may be of such a character that it will not be likely to yield much local traffic, the through traffic must pass over that section of the railway, and if the views held as to the profitable future development of Central and Western Canada are sound, that implies a large traffic. Besides, the history of the last twenty years should make anyone cautious of declaring that any part of the Dominion possesses no natural resources capable of sustaining a population and becoming the scene of industrial activity. Furthermore, if that part of the line is built under proper supervision, and at the moderate cost at which such work can be done now as compared with the prices at which a great part of the work on the Canadian Pacific road was done, its capitalization should be low. As the railway company will have to pay interest on the cost of Moncton-Winnipeg section, it will be likely to scrutinize closely every item of cost. Assuming that the road will be built under thoroughly business-like arrangements, securing full value for the money expended, and the fact that the company will only have to pay 3 per cent. interest on the capital, we are inclined to think that the fixed charges on this section will not be more than half what they are on a corresponding mileage of the Canadian Pacific railway."

#### Still More Conservative Support.

The statement was publicly made at the time, that prominent Conservatives in Victoria, B.C., telegraphed Senator Macdonald, urging him not to move in the Senate, the resolution of which he had given notice, condemning the Government's arrangement with the Grand Trunk Pacific Railway Company.

A reflection of this Conservative opinion in British Columbia, as in the other provinces, in support of the Government's railway policy, appeared in the *Colonist*, the leading Conservative daily paper of Victoria, on the morning of March 10th, 1904. It said:

Now that the shareholders of the Grand Trunk Railway Company have approved of the amended agreement with the Dominion Government, for the constructing and operation of the Grand Trunk Pacific Railway, the last obstacle to the carrying out of the enterprise may be considered as removed. From the reports of the meeting of the shareholders, in London, it appears that there was a strong and well organized opposition to the Grand Trunk Company undertaking any responsibility in connection with the project. It is not difficult to understand the reason for this opposition. While it is quite possible that the Vice-President of the Company (Mr.

Hays) was correct in his assertion that interested rivals had attempted to block the scheme, it is probable that another reason was what influenced many of the shareholders in their attempt to postpone the proposal to approve the agreement with the Dominion Government. The history of the Grand Trunk Company, for nearly thirty years, was a record of financial difficulty and disappointing results. \* \* \* \* The General Manager of the Company, Mr. Hays, did not hesitate to put the situation clearly before them. He pointed out that if the Company did not accept the Government's offer, there were other parties who would do so, and set up a competition with the Company, the results of which must be disastrous. With the settlement of Western Canada, any great Canadian railway system must have its main line and feeders throughout the country, to secure the traffic which that settlement is developing. For the Grand Trunk Railway to be confined to the eastern provinces, would mean its practical exclusion from the great field of railway enterprise in the future. It would see its rivals gathering up the iron in the West and carrying it to the eastern seaboard by lines paralleling the Grand Trunk system. When, too late, it was compelled to undertake the construction of western extensions, it would be impossible to secure Government aid, while it would have to compete with rivals that had already established themselves. Fortunately for the Grand Trunk Co.'s future, as we believe, and for the interests of Canada, especially the western part of it, Mr. Hays' arguments prevailed and the shareholders approved the agreement. The management has lost no time in giving practical expression to that approval, and yesterday deposited in Montreal, cash, to the amount of \$5,000,000, as security for the carrying out of the agreement, according to the stipulation to that effect. The Dominion Parliament meets to-day, and one of the most important matters that will occupy its attention at this session, will be the ratification of the amended agreement, between the Government and the Grand Trunk Pacific Railway Company. There can be no reasonable doubt that this will be done. \* \* \* \* The value to British Columbia, of a line opening up the northern part of this province, can scarcely be overestimated. That such a scheme was desirable was shown by the action of the Provincial Legislature three years ago, in voting millions of dollars as a subsidy in aid of such a project. Many people questioned the ability of the Province to incur such an obligation, under its financial position, and held that such a work was really a national one, and not a provincial affair, and should, if aided at all, be assisted by the Dominion. By the agreement with the Grand Trunk Pacific Company of one dollar to the financial obligations of the Province, or the surrender of one acre of its lands. Nor can the people of eastern Canada fairly object to this arrangement. While the aid will come from the Dominion as a whole, the people of British Columbia will contribute their share, which is larger per capita of the population than the people of other Provinces contribute to the Dominion Treasury.

### Opposition M.P.'s Slow to Perceive.

It should not be lost sight of, because it is very important, that the Opposition displayed great eagerness in the end to show their desire for the construction of another line from ocean to ocean. One after another of them got up and made motions, and moved amendments, calling for the construction of another transcontinental railway. They made it clear in every possible way that they were not opposed to such a road, but they desired to express disapproval of particular features of the scheme. So conscious were they of the general public desire for the construction of such a road, that the leader of the Opposition brought down a scheme of his own, creating something which he called a transcontinental railway. He resented the statements made by the Minister of Finance, in the House of Commons, page 3,575 of Hansard 1904, where he is on record as saying:

The honorable gentleman speaks of me as having expressed an opinion against another transcontinental line. I am not aware of having expressed any such opinion.

But the Conservative leader did, at first, oppose another transcontinental line. On page 12,623 of Hansard, 1903, he said:

I did not propose the immediate construction of another transcontinental line.

This makes it quite clear that the Conservatives eventually realized the extent of the public demand for the immediate construction of a new transcontinental railway. Mr. Borden's alternative scheme will be described later on. The members of the Opposition in the end confined themselves to criticizing the details of the measure. The principle of it they openly agreed with. One of the details, and an important one, about which there was possibly the most discussion in Parliament, was the question of route, and even as to that, the Hon. John Haggart, Conservative ex-Minister of Railways and Canals is on record in the House of Commons, Hansard, 1903, as saying, "that he approved of the northerly route be-

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tween Winnipeg and Quebec outlined in the Government scheme." (p 12,880.) Now, these are the facts: that the Conservative leader agreed that there should be a new trans-continental railway; that his lieutenant, Mr. Haggart, agreed that the road outlined in the Government scheme was the proper one. The way the scheme should be financed was really the only other important question left, and we know that the Opposition got so juggling with figures so as to confuse the public mind. These three things—the road itself, the route, and the finances being out of the way, there remained only a number of details, any one of which might, perhaps, have been different to what it was in the contract, and any one of which might have been made worse by a change.

**Hon. A. G. Blair and Others**

In the parliamentary session of 1902 the Government's attention was sharply called, by western members, to the need of increased facilities for transportation. The motion for correspondence on the subject was made by Dr. Douglas, Liberal member for East Assiniboia. Although the matter was pressed upon the Government mostly by Liberal members from the west, there was agreement by the Conservative members as well. Mr. Boyd, Conservative member for Macdonald, called upon the Government to propound a policy that would go so far as to build another railway in the west, while Mr. Roche, Conservative member for Marquette, said. "Population is flowing into that country, and every year we are bound to require additional facilities, because our crops will be increased each year. To-day we find this condition of affairs: not only are the terminal elevators at the head of navigation full, but so is every elevator in Manitoba and the Northwest. Every elevator, floating warehouse, every place where grain can be stored, is full. And not only that, but we find at each little station, not only along the main line, but along the branch lines, are piles of grain in bags, standing out exposed to the weather for months past."

At the close of that session, Mr. A. G. Blair, then Minister of Railways, made a tour through Manitoba, the Territories, and British Columbia, so that he might advise the Cabinet on the matter thus brought to the attention of Parliament. After his return he said:

There is ample room for at least four more railways right through to the Pacific. The thing that impressed me most of all on my trip to the northwest was the need for more railways. Not only should the west have at least four more railways, but I am further convinced that it must have them, or the cause of immigration, which has been active, will receive a severe setback. The outlying sections are not rapidly, and unless transportation facilities are afforded the settlers they will quickly become discontented and advise others not to come into the country.

When the Hon. Mr. Blair was in the west he was so conscious of the desire for further railway facilities, that he voiced in various ways the opinion of the people he met, and, being a Minister of the Crown, he met the representative and important people of Manitoba, the Territories, and British Columbia. Mr. Blair's apparent subsequent hostility to the project was so much in conflict with his well-known, expressed, and individual opinion, that Mr. John Charlton, member for North Norfolk, was constrained to express himself on the floor of Parliament as follows:

The honorable gentleman (Mr. Blair) regrets it is not the Grand Trunk Railway that is going into the west, but the Grand Trunk Pacific Railway. Well, it strikes me that there is a distinction without a difference. I think we shall be thankful if we get the Grand Trunk Pacific Railway into the Northwest, with the stipulations and conditions with which it is hedged round—with all these stipulations which place it absolutely in the hands of the Government, as to the operation of the road, as to its maintenance, as to providing facilities at each end of the road for the transaction of business, and as to not discriminating against Canadian ports in favor of American ports. The hon. gentleman asks what that condition about discrimination amounts to. He says the company will send their agents through the Northwest, and will quietly secure freight and have it shipped with their own connivance to American ports. Well, this company enters into a solemn agreement not to discriminate against Canadian ports. But he tells us that we have no penalties by which we can enforce the fulfilment of this agreement. Is the whole thing ended when this Bill passes? We have to go on and perfect the conditions by a lease; and what does this agreement say in regard to that. It says:

'The said lease shall also contain such other covenants and provisions, including proper indemnity to the Government in respect of the working of the railway, as may be deemed necessary by the Government to secure the proper carrying out of this agreement.'

Does not that cover the ground? The hon. gentleman surely could not have read that. The Government have a most carefully prepared agreement here. After reading it over and over again, I cannot see any point that has been neglected. I pronounce it a perfect agreement. The time that has been devoted to the perfection of this scheme has not been mis-spent or wasted.

In order that there shall be no doubt in the matter, Mr. Blair's exact words are here quoted, from a speech delivered at Vancouver, October 9th, 1902, as follows:

There is no country where the soil is more fertile than in the millions of acres in Canada which the plough has not yet touched, and which man has not yet invaded. Railways were necessary to open up these great fertile tracts. If we are to invite the people from the outside to immigrate here, they have a right to expect that the Government can assure them the means of transportation. That means a great many railways in many parts of Canada, and we feel as a Government that we have ample justification in going to all reasonable lengths to meet this need. The tide of immigration was just setting in full and strong towards Canada, particularly from the south, and he believed the time was near when there would be a greater immigration than ever before to Canada from the motherland. This influx of settlers, he said, must bring its problems.

It meant an increase of soil production and necessarily of means of transport. We cannot long remain content with only one transcontinental line. I am ambitious myself to see another right away. It cannot come fast enough to satisfy me, and I am doing all I can, in my small way, without public pretense about it, to insure its construction.

Mr. Blair's language was reported in the *News and Advertiser* of Vancouver, as follows:

This influx of settlers must bring its problems. It meant an increase of soil production and necessarily a means of transport. We cannot long remain content with only one transcontinental line. I am ambitious myself to see another right away. It cannot come fast enough to satisfy me, and I am doing all I can in my small way, without public pretense about it, to insure its construction.

There is, therefore, no doubt in the world that Mr. Blair's judgment in the fall of 1902 was conclusively in favor of building immediately another transcontinental railway. If he expressed himself otherwise in the following year, it must have been because of some difference of opinion between himself and some other person, and not on the merits of the case. As a matter of public policy, and in the interests of the country, Mr. Blair certainly favored the construction of a national transcontinental railway.

## THE BEST METHODS OF BUILDING ADOPTED.

Having shown the almost universal desire for the immediate construction of an additional line, and described the steps taken by the Government to respond to this demand from the public, the question arises, did the Government adopt the best method of constructing the road? The Opposition says: Better have a Government-owned railway than a railway-owned Government. This, of course, is a mere flippancy. There is not a Government-owned railway either in Great Britain or in the United States, and only one in Canada. Conservative leaders in Canada have refused to adopt the principle. Sir John Macdonald always strongly protested against it, and as late as the year 1897, Sir Charles Tupper vehemently opposed the idea of a Government-owned railway. Sir Mac-

kenzie Bowell visited Australia some years ago, and there saw the operation of Government-owned railways, and he has quite recently expressed his strong and well-settled convictions against the project of Government ownership and operation. Hon. John Haggart, who was Minister of Railways and Canals, and is the Opposition's railway expert, has through all his public career freely expressed his hostility to the Government going into the railway business.

### Conservative Opinions.

A still better authority, perhaps, than any of these, Sir George A. Drummond, a member of the Senate of Canada, President of the Canadian Sugar Refining Company, Vice-President of the Bank of Montreal, ex-

President of the Montreal Board of Trade, and one of the shrewdest business men in Canada, a Conservative, could not remain quiet under a proposal to extend the Government railway across the continent. He says:

I am dead opposed to it, especially after the object lesson the Intercolonial Railway has been to the country. That is why I am absolutely opposed to the Government owning and controlling railways. They might own the railways without running them, but that is another question. Government ownership might be tolerable if they could have the railways run by absolutely independent commission, but that is almost an impossibility. It would be almost impossible to keep them in a non-partisan system, and very difficult even if they owned the roads and leased them.

I distinctly prefer the company system of owning and management on the ground that it is certain to secure better service and greater economy. No Government can or even will run any business which is dependent upon votes, upon business principles. I am opposed to municipal ownership of commercial undertakings on the same ground.

The farther Dominion and municipal politics are kept away from business the better because politics and business are an impossible combination. I repeat, it is impossible for institutions based upon and supported by the votes of the people to manage a business enterprise on commercial principles.

Mr. H. A. Powell, ex-M.P. of Sackville, New Brunswick, one of the Conservative leaders of that Province, and Conservative member of Parliament for Westmoreland up to 1900, is so opposed to the principle of Government ownership and operation of railways, that he prepared an address on the subject, and delivered it publicly.

If Mr. R. L. Borden has not on this question the sympathy of Conservatives like Sir Mackenzie Bowell, Sir Charles Tupper, Sir George A. Drummond, and Mr. Powell, it is obvious that if he was in power to-morrow he could not carry out any such policy. So strongly was the Conservative party and its leaders opposed to Government ownership of railways that they refused to agree to Mr. Mackenzie's experiment of building the C. P. R. on this principle, and actually handed over to a company the sections of road which Mr. Mackenzie had constructed as a Government road.

### Professor Meyer on State-owned Railways.

Some persons in this country are frequently told that because the State aids the railways it should own them, and to the public mind this includes the operation of them by the Government. If any one of the various railway policies contrived by Mr. R. L. Borden meant the extension of the Intercolonial Railway across the continent, operated as a public work, then the Government of Canada takes issue with Mr. Borden, and says that it does not believe it would be in the public interest to operate the Grand Trunk Pacific as a Government work.

The operation of railways by Government has not been successful, either in other countries or in Canada. The example of Australia, a great colony of Great Britain like Canada, may be accepted. The results of State ownership of railways in Australia were very closely studied by Professor H. R. Meyer, who also studied the working of State railways in Russia, Germany and elsewhere. He contributed the result of his observations and enquiry in a series of copyrighted articles, published in the "Railway Age" of Chicago, between July and October 1903. His conclusions are well worth reading. For example, he says:

#### Australian Railway Deficits.

One of the first things that strikes the student of Australian affairs is, that the State railways have been a great burden upon the taxpayers. In 1898, the annual sums by which the railways of Victoria had failed to earn the interest which the Government had been obliged to pay on the money borrowed for the purpose of building railways, had aggregated \$49,000,000, a sum equivalent to 25 per cent of the cost of building the railways. In New South Wales, the annual deficits had aggregated \$44,500,000, a sum equivalent to 23 per cent of the cost of building.

It would not do, however, to attribute wholly to misdirected investment, the constant deficits of the Australian state railways. In very large part these deficits have been due to mismanagement of the railway. For example, in 1898, when the Victorian railways had a deficit of \$1,850,000 a year, on a debt of \$180,000,000, Sir George Turner, Premier and Treasurer, said that the state could sell the railways for \$244,000,000. At the same time he said that the state would have to look forward to \$1,250,000 as a 'normal' deficit. Again Sir George Gibbs, Treasurer of New South Wales, offered to undertake to sell, within 24 hours, the rail-

ways of the colony for \$200,000,000. At that time these railways were falling short by \$4,775,000 of earning the actual interest on their debt, \$132,000,000. Still again, in 1893, Mr. McMillan, the Treasurer of New South Wales offered to find a purchaser for the railways at \$30,000,000, at a time when the deficit was \$1,030,000 a year, on an indebtedness of \$190,000,000. To sum up, the earning power of a business venture in the hands of the state is much smaller than the earning power of that venture would be were it conducted by private enterprise.

It will be seen, therefore, that while enormous liabilities have been imposed on the country for the construction of these roads, very heavy additional burdens have to be borne in the shape of annual deficits, and that has been the experience of our own Intercolonial Railway in Canada. But the record makes it clear that a well-equipped railway is a good asset. No doubt the Intercolonial would bring a large sum of money if it were sold to a private corporation. It seems impossible for a Government to manage any business enterprise with economy.

#### High Freight Rates in Australia.

But that is not the worst of it. Professor Meyer makes the striking statement that the burden imposed upon the people as taxpayers is small compared with the burden imposed upon them as producers, and he gives an example, that at the close of 1899 it cost as much to ship wheat a distance of 400 miles over the best railroads of Australia, as it cost to ship wheat from Chicago to Liverpool. And he also says, that down to 1897, the railway charges in New South Wales were so high that it was practically impossible for settlers to go into the interior of the colony to raise wheat there for shipment to Sydney and the seaboard, in competition with wheat brought by sea from the coast districts of Victoria and South Australia. Not more than twenty per cent of the wheat raised in the interior of New South Wales found its way to the seaboard, where dwells the bulk of the population.

In the year 1899, the railway department of Victoria maintained that it could not haul wheat for less than two cents per long ton mile. The farmers protested that this was an exorbitant charge, and also, that they had

done everything in their power to reduce expenses, and they felt keenly the fact that their principal competitor in the Liverpool market, the American farmer, had his wheat carried from Chicago to Liverpool for the sum they had to pay the Government railway for carrying their wheat from the Murray River to Melbourne. The reply which the farmers received to their request for a reduction of rates was that railway rates were like customs duties. Finally, the Government reduced the rates on agricultural products by the trifling sum of \$275,000 of revenue, but it induced Parliament to vote the Department of Railways a special subsidy to make the sum paid by the shipper, plus the subsidy, equal to the old rates. This followed the precedent established when the charge on coal was reduced, the Treasury giving the Railway Department a subsidy of dollar for dollar on the coal rates. The subsidies, of course, are only book entries. They make the revenue of the Railway Department appear larger than it is, and thus make the deficits appear smaller than they are.

This is important testimony, for Canadians have been told, in some quarters, that the State operated railways of Australia pay. Indeed, the reports of the Railway Department, for example, in 1897-98, place the cost of the railways and tramways at \$196,000,000, and charge the Railway Department with interest on that sum, little over three and a half per cent. The Railway Department ignored the fact that to raise \$196,000,000, the Government had sold at a discount bonds of the face value of \$221,406,000. Thus, it happened that while the Railway Department was reporting a surplus of \$160,000 for 1897-98, there was a real deficit of \$940,000. The Auditor General took the liberty to report to Parliament, that it was unfair to charge the Railway Department with interest on the larger sum, since a large but unascertainable part of the proceeds of the bonds had been used to defray the operating expenses, and not to build railways. The Auditor General suggested that the deficit be called \$245,000.

### Railway Management in Other Countries.

Could any better examples be found of the way Governments will cook accounts to make out a surplus for a policy they feel themselves bound to maintain? No attempt will be made here to reproduce one-twentieth of the illustrations given by Professor Meyer, showing the disastrous results of the attempt of the Australian Governments to operate their railways. Sufficient to say that many evils are caused by the attempt. He gives a long chapter showing that members of Parliament were constantly bringing pressure on the Minister and the Government, to make them intervene in matters of detail, such as the system of lighting passenger cars, the adoption of a particular kind of brake, the payment of wages, and the quality of the rails. There was political intervention on behalf of contractors, dismissed employees, and, in fact, in regard to everything. At one time the condition of the rolling stock on the Victorian railways became so bad that many people were killed in a series of accidents, which enabled Premier Service to carry a measure transferring the management of the railways to a Commission, and some improvement was made. But the public could not break with the practice of forcing the Minister of Railways to override the Commissioners. The Commission system broke down completely in Victoria, and the "non-political" management was also abolished in New Zealand. In New Zealand, four years ago, the passenger rate, on the Government railway, was five cents a mile for first class, and their first class cars, at that time, were such that Canadians would refuse to patronize them. There, also, the man with the political pull will telegraph the Minister of Railways to give precedence to his car of freight, at the expense of the average business man, whose goods would be left lying on the siding, while the Minister would exemplify the saying that "the last shall be first."

### State Ownership of Railways in Europe.

In Germany and other European countries, State ownership of railways

has the same basis as in India, where the arguments for State ownership were stated by Mr. Thomas Robertson, a special commissioner, to be as follows: "That it is very important, for military reasons, that the Government should have control of the railways, that State lines are needed for the training of military officers in railway duties, that State railways are needed as a training ground for the supervising staff and for the officers of the Government and of the consulting engineers, and so on. A modern railway, such as is known in Canada, is unknown in most of the countries where the railways are owned by the State. Professor Meyer says: "The railways of the Europe of to day are essentially the same as the railways of the Europe of 1875," and, that State ownership "has precipitated a conflict of sectional interests which has retarded enormously the decline of railway rates. It has led to local discrimination and to a demand that the railway shall be used to protect one section from another. For instance, the Prussian Minister of Finance, from 1890 to 1891, said: "This opposition of the agricultural interests of the west to low rates on grain and flour brought from the east, is but one of many illustrations of the desire of the various sections of the German Empire to re-establish a system of State protection by means of the regulation of railways in Europe. It is illustrated in the rejection, in 1896, of the proposal to establish, on the Russian railways, a uniform rate on grain. A body of land-owners, millers, and railway officials, convened by the Government to report on the proposal, rejected it on the grounds that it would cause loss of revenue and that it would benefit the southern regions and the more remote eastern ones at the expense of Central Russia, that the land-owners able to market their produce by river would lose the advantage which they had over other land-owners who were obliged to use the railways, and, finally, that a considerable and sudden reduction in freight rates would so stimulate the production of grain as to cause a decline in the price in the international markets."

### Another Expert Opinion.

Mr. Thomas Robertson, who travelled seventy thousand miles, including Canada, and made a report to the British authorities at Calcutta, came to the conclusion that the disadvantages of direct state management out weigh any advantages that such a system may possess. Then he goes on to say :

But it will probably also be seen that the majority of these disadvantages are not due to state management itself, but through the system of working some railways through companies, and some directly by the state, and if the quality of system were eliminated, most of the objections to direct state management would disappear. The Government should either work all the railways as state railway, or lease them all to companies to work.

And the latter is the alternative recommended by Commissioner Robertson, which is the principle adopted by

the Laurier Administration in leasing the eastern Division of the national trans-continental railway to a company, to operate it as part of a great system covering the whole of the Dominion of Canada.

### Drawbacks of Government Ownership.

No serious public man could afford to overlook the dangers of Government ownership of railways in a country whose growth is comparatively recent. The Government would be a magnet for land speculators, promoters, and "boomeriters," who would endeavor to drag from the Government a line of railway in some perhaps remote section of the country, where the only benefit would accrue to the contractor. In Australia the Government constructed a line in a certain section to please a syndicate of supporters who had land interests near by. The location was an impossible one, as landslides that covered the track were common, and the Government had to finally abandon it, and spend another million in constructing the line elsewhere. Under the present system in Canada of granting aid, the company must earn the interest on the cost of construction, and must operate the line so as to make it pay, or bear the

burden of loss on their own shoulders. The public get the benefit of the road, but do not have to pay the loss in operation, should there be a loss.

It may be said that a Government road could be operated by a non-political commission on a business basis. The Canadian Government recently appointed a commission to buy the balance of the destruction of the Grand Trunk Pacific, Eastern Division, yet nearly the whole of the Conservative press in Canada declared that it was a political commission. In Australia, the non-political commission was tried, and while in some of the colonies it affected an improvement in the rotten condition of the Government roads, it was a failure in other Australian colonies. In New Zealand it was abolished. Some of the commissions brought experts from England, but it turned out that the expert would be overruled, and in one case we have the testimony of an ex-Prime Minister, that the English railway expert was treated shamefully. Mr. Reid now Premier of the Australian commonwealth and who was Premier of New South Wales from 1894 to 1899 used the following language about Mr. Eddy, the English railway expert, who was chairman of the first railway commission in New South Wales :

One of the finest, one of the gentlest, one of the best men who ever lived in the world, accepted the trust of coming to this country to administer our railways. He had not landed one week before epithets of the vilest abuse were applied to him (by members of Parliament under cover of privilege.) Coincident with the landing of that man in this country, there was a settled vindictive conspiracy to destroy his usefulness, even before he should have entered upon his great trust, and that same persistent malice dogged that man year after year until it inflicted upon him, a man of the most sensitive disposition, mental injuries which led to his premature death.

Thus, it will be seen that the natural tendency of politicians to interfere with the management of a State railway cannot be suppressed by the device of a non-political commission. A Government railway operated by Government is a political thing, and will never be anything else. Professor Meyer, of Harvard University, whose researches in Australia have

been quoted before, speaks of the experience with commissions as follows:

The saving remnant of success attained was due almost wholly to the fact that the internal jealousies which had torn the railway department, and had made the various branches of the service, and sometimes even the officer in the same branch, work at cross purposes, were eliminated. Comparatively little progress was made in checking the illegitimate demands of the public on the railway department, demands enforced by members of Parliament acting either behind the scenes or in the open.—(Railway Age, September 11th, 1903.)

Sir Robert Hamilton, who has seen the work of the Commissions at Melbourne and Sidney, writes:

I believe that any guard upon our parliamentary representatives in the shape of permanent commissions appointed by them, must, as experience appears to be already showing, break down.

From all this evidence it seems clear enough that a Government railway is bound to be a political railway with all the attendant evils and deficits.

#### Experience of The Intercolonial.

When the Intercolonial railway was built in Canada there were constructed 720 miles of road, at a cost of \$36,000,000. The road was then, in 1877, supposed to be completed. In 1903 various Governments had been induced to extend the road, and in 1903, there were 1,200 miles of road, and the cost had gone up to \$70,500,000. In addition to this, Parliament, during the session of 1904, authorized the purchase of the Canada Eastern, a New Brunswick road. On that occasion Mr. Haggart, whose friends say he is in favor of Government ownership, declared that it would be better for the country to pitch the purchase money into some bog hole along the line of the Intercolonial, because the road will entail a loss to the people. The Government did not agree with this view, but it is the view of Mr. Haggart, one of the Opposition leaders. When he was Minister, Mr. Haggart himself made additions to the Intercolonial.

From 1868 to 1902, a period of 25 years, the working expenses of the Intercolonial amounted to \$92,600,-

000, and the receipts to \$84,000,000. If the interest is added, and calculating it at about \$2,000,000 a year, then the loss to the people of Canada by Government operation of the Intercolonial, during these 25 years, was almost \$60,000,000.

But unwise or reckless political management may cause a far greater loss. This was illustrated by the evidence given before the Civil Service Commission in 1892 by Mr. Collingwood Schreiber, Deputy Minister of Railways. When questioned on the subject of land claims against the Intercolonial, Mr. Schreiber said:

There is an instance of a piece of land that was taken for the Intercolonial as a gravel pit, in the wild woods near Sutherland Junction, for which the Government offered \$5, I think. Afterwards they increased the offer somewhat, hoping to settle the matter. The owner is now claiming \$70,000.

No wonder Mr. Schreiber on that occasion deplored the tendency to hold up the Government of the day at every turn. It is a notorious fact that when Sir Charles Tupper was Minister of Railways, Mr. Schreiber estimated the cost of the construction of 14 miles, known as the St. Charles branch, at \$350,000, and, finally, in order to include compensation for all the land and buildings expropriated, increased the estimate to \$600,000. The actual cost of these 14 miles exceeded \$2,200,000. To multiply these transactions by extending the Intercolonial across the continent would be an act against the wishes, and certainly against the interests, of the people of Canada.

On one occasion Mr. L. H. Holton, one of the Liberal leaders in Parliament, described the Intercolonial as a "sink-hole of corruption, fraud and embezzlement." The answer was given in one of the first reports in 1874:—

What can a railway chief do when politicians are imposing incompetent subordinates upon him, and championing them when they become defaulters? How can he make the road earn working expenses when, besides keeping a swarm of drones, he has to purchase his supplies, not in the cheapest market, but in the dearest, from partisans looking for their reward? What chance of enforcing equal rates and fair play for all

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when he has to advance the interests of political adherents and ruin the merchant who votes the other way? In reply, Mr. Brydges allowed that it was only too true that 'many of the appointments, especially of the principal of *etc.*, had been made absolutely for political reasons and they had been kept in their places notwithstanding their notorious influence because of the political influence they were able to bring to bear.'

### Opinions of former Conservative Premiers.

After their experience with the Intercolonial, and with some lines down in the Maritime Provinces, the prominent men of the day formed a pretty firm conviction against Government-owned and operated roads. Sir Alexander Galt, a man of keen intellect who was at one time a Conservative Finance Minister brought forward the following resolution:

That the present system under which the Intercolonial is being constructed as a public work of the Dominion is expensive and unsatisfactory; that it is not in the public interest that the Government should be charged with the maintenance and working of railways; and that in the opinion of this house both the construction and future operation of the line should be left to private hands.—(House of Commons, April 12th, 1870.)

Speaking at Kingston in the campaign of 1872, Sir John Macdonald said:

We propose to build this transcontinental railway by means of a company. Why? Because, as you know, we have learnt by what we have gone through on the Intercolonial that railways can be constructed and operated more cheaply, more efficiently, more advantageously in every way, by a company than by a Government. If our friends the Grits had had the Intercolonial in hand they would have experienced the same trouble we have. They would have discovered that while it is easy when you are out of office to talk of running things as you would run a counting-house, it is very difficult when you are actually the Minister. You have then to resist the importunities of powerful friends, or yield to them, as the case may be. You have a hundred men looking for one contract or one office, each of them coming down like an army with banners. You have your merchants wanting to sell supplies at their own figure, the working-man threatening you if you do not increase his pay, and claims which a company road would never entertain rising up against you night and day, and calling for settlement on pain of having the claimants go over in a body to the Grit party, to get the fair and honest treatment that you deny them. Mr. Mackenzie says he is a practical man, but I wish him joy if ever he has to conduct the Intercolonial from Ottawa.

Circumstances compelled Sir John Macdonald, and Mr. Mackenzie also, to carry on the Canadian Pacific for a time as a Government work, but at the first opportunity Sir John turned it over to a company again, saying on that occasion:

The Government had every right to use all their exertions in order to relieve themselves and the country of the obligation of building this road, and of the still greater obligation of running it. We see this in the Intercolonial and in every public work. Why, Sir, it is actually impossible for the Government to run that railroad satisfactorily. The men that we put on the road, from the porter upwards, become civil servants. If one is put on from any cause whatever he is said to be a political hack. If he is removed, it is said his removal was on account of his political opinions. If a cow is killed on the road a motion is made in respect to it by the member of the House who has the owner's vote as support. The responsibility, the expense, the worry and annoyance of a Government having charge of such a work are such that, for these causes alone, it was considered advisable to get rid of the responsibility.—(Hansard, January 17, 1881.)

### Sir Charles Tupper against Government Ownership.

Sir Charles Tupper expressed his views in Parliament, in a speech delivered in June, 1897, when he said:

I learned with infinite pleasure that the Government had abandoned the idea or intention of building this railway (the Crow's Nest Pass Railway) as a Government work. I am quite aware that a portion of the press giving a considerable support to the Opposition has put forward this policy of the construction of the road through the Crow's Nest Pass as a Government work. I confess that I was astounded to find that, with the evidence that we had before us on the result of the construction and operation of Government railways in Canada, a single intelligent man could be found in the House, or out of it, who was prepared to advocate such a policy in this case. Why, Sir, all we have to do is to look at the facts we have before us. We have already solved, we have set at rest forever, in my judgment, in the mind of any reasonable or intelligent man, the question whether it is better for Canada to construct a railway and operate it as a Government work, or by the aid of a private company. This country, from the necessity of the case—for it was made part of the compact of Confederation and necessarily so—was obliged to undertake the construction of the Intercolonial Railway as a Government work. It was a matter of necessity. And what was the result? Any person who will take the trouble to look at pages 630 and 631 of the Statistical Year Book of Canada will find the whole story told. We constructed a railway from the city of Halifax, a large, enterprising city with a

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great trade, offering the finest harbor on the continent of America as a means of communication for the ocean trade. We carried that railway to St. John, another fine harbor, another large town, and, I may be permitted to say, of still greater energy and enterprise than . . . and there were reasons for that. But, Sir, we have then run this line of railway through an open, cultivated country, through all the towns bordering upon the St. Lawrence up to Quebec, and with what result? With the result that to-day we stand face to face with a debt of no less than fifty millions of capital expenditure, and year after year a large deficit to be taken out of the treasury of Canada for the purpose of . . . the expenditure over and above all that we can make out of the road.

Whether Liberals or Conservatives were in power, I would deplore in the strongest manner any attempt in this country by any Government, I care not who they are, or who they are composed of, to construct another Government railway. That is the position I take.

I confess that when I learned that the Minister of Railways (Mr. Blair) had come back from British Columbia with his mind made up to take this great work up and construct it as a Government work I confess that I was startled and I felt it would be the greatest calamity . . . could happen to Canada for her to undertake to construct that road from Lethbridge to Nelson, or to the Columbia River, as a Government work. Because, as I said before, Governments cannot construct railways in an economical manner, they are under pressure, they are under influence, they are under embarrassments that do not apply to companies. Suppose a Government undertakes the construction of a railway, what is the position? They ask for tenders, tenders come in. Hon. gentlemen know the howl that is raised by the Opposition, whoever they may be, if the lowest tender is not taken; and yet it is a tender that a company, who have got to find the money out of their own pockets, would not look at in their own interest, and would set it aside, and they would be consulting their own financial position by taking a much higher tender.

So I say that the Government have not the latitude, they have not the means of saving public money, as a private company can save theirs. Then, when it comes to the operation of the railway, where are you? Why, Sir, every gentleman sitting behind the Minister of Railways wants to get a friend, or the relative of a friend, or some active supporter, put upon the road. He says 'You have got a thousand employees and one more cannot make much difference.' He puts the screws upon him, and succeeds in crowding some one upon the railway.

But there is a worse thing than that with reference to a Government railway, and nobody has experienced it more than I have myself. When you have built a road, and when you have over-manned the road, as you are almost compelled to do by the pressure that is put upon you, unless you are more than a man, there is a worse thing still, and that is that every man that has got a ton of freight to carry over the road, brings all the political influence he can upon the Government and the department, to carry that for

nothing. Therefore, the Government is not in a position to preserve the interests of the public nor to manage a railway in the same manner that a private company can manage it. I am glad to say that I need not pursue the question, because my hon. friend who has just sat down, has relieved our minds, and my mind especially, from the fear that the Government would jeopardize the best interests of Canada by an attempt to construct this as a Government railway.

#### **Sir Mackenzie Bowell Against Government Ownership.**

Sir Mackenzie Bowell, who visited Australia a few years ago, and had an opportunity of witnessing State ownership and operation in action, said in his speech in the Senate in 1903, on the Grand Trunk Pacific scheme (Senate Debates, 1903, p. 1,384):

This I will say, speaking for myself, I am opposed to Governments running railways, and if we are to take the Intercolonial Railway as a sample to guide us in the future all I can say is, God protect us from the financial results that must follow if the Government are to own and run many other roads in the future. \* \* \* I watched the operation of the railways in Australia when I was there. They are Government railways. They produce no argument to my mind that Governments can own and operate railways as well as it can be done by individuals. I believe to-day that if the Grand Trunk Railway Company, or the Canadian Pacific Railway Company, had possession of the Intercolonial Railway, they would run it with as much advantage, if not more advantage, to the people living in the Maritime Provinces, and at less expense in it is run to-day, and they would run it without losing any money. That may be a heterodox view to some of my friends from the Maritime Provinces, but I have come to this conclusion from having watched the management and the operations of that road under both Governments, and having watched the operation of the Government-owned roads in the colonies. I know there is an objection to handing it over to any private corporation for fear that it would result to the disadvantage of the people living in the Maritime Provinces. I do not believe that it would, and personally I should like to see the Grand Trunk Railway or the Canadian Pacific Railway take possession of that road, if only for a few years, to test the truth of the statement that I have made, and if it was found to work to the disadvantage of the provinces, they could easily terminate the contract and take it back into their own possession.

#### **The Ontario Conservative Leader**

At the time of Sir Alexander Galt's resolution, Dr. Sproule, then, as he still is, a Conservative member of the House of Commons, expressed his mind as follows:

In every instance where I have been able to take the sense of the people, I have invariably found that it was their desire to have the railway built by a company and not by the Government. The history of the construction of all public works shows that they cost more when constructed by the Government than when constructed by private companies. We have had some little experience of running railroads in Canada, and we may ask, if it cost us in one year \$716,083 to run the Intercolonial Railway, a road 400 miles long, passing through three settled provinces where there is a large trade, what must be the cost of running a road 2,700 miles long, running for nearly its whole length through a country that is unsettled.—(Hansard, January 20th, 1881.)

The following Editorial appeared in the *Montreal Gazette*, August 28th, 1903.

#### Government Ownership of Railways

Continuing in the *Railway Age* his most interesting series of articles on the 'Government Ownership of Railways,' Mr. H. R. Meyer in the present week's issue takes up the case of Russia, where sixty-five per cent. of the railways are owned and operated by the Government. As in the case of Germany and the other states already reviewed, Mr. Meyer shows clearly and conclusively how Government ownership has retarded the development of the country, through the fact that the influence of sectional interest has prevented the railways from assisting in the creation of traffic in sections where such assistance was absolutely essential to success. In Russia, where the state does not own and operate the railways it controls the rates, so that the independent railways are, as far as rates are concerned, practically on the same footing as those owned and operated by the state.

In 1888 the Russian Government issued a grain tariff which was designed to encourage the raising of grain in remote regions of the country. This was done by means of a tariff with rapidly tapering rates. For the first 240 miles the rate was 1.647 cents per short ton mile, for the next 830 miles it was 0.197 cent per ton mile, or much less than cost. Grain shipped over 1,950 miles was to be carried on the supposition of its being shipped 1,950 miles only. This tariff was the application of the American rule of charging the traffic

what it would bear, and it worked most successfully in inducing the cultivation of grain in the more remote sections which would have been left in a precarious condition but for the cheapness of the freight rates the tariff provided. The new policy, however, met with stern opposition in Central Russia, which had previously enjoyed the monopoly of the important Russian domestic markets. The cheap long distance hauls gave them a competitor, and, with the world-wide fall in the price of grain, precipitated a decline in land values in Central Russia. The result was an appeal to the Government which could not ignore, and it was met by establishing local zones in which a favorable rate was made. Two hundred and thirteen miles was the limit. Then the export demand ceased and the long distance grain intended for export flooded the Central Russian markets. The appeal for relief was renewed and the zones extended to 361 miles, while the long distance rates were increased in order to offset the loss occasioned by the reduction of the local rate. To-day the principle of charging the traffic what it can bear is practically dead and the grain grower in the remote districts is impoverished by the high railway rates he is compelled to pay. The growth of the country is retarded because the power to regulate rates is in the hands of those interested in Central Russia, and they utilize that power to retain their home market for their own use.

The situation in Russia is precisely similar to what it would be if the farmers of Ontario were to demand and had the power to compel the railways to quote a rate to the North-West farmer which would make it impossible for him to compete with the Ontario farmer in supplying the domestic wants of that Province. This is the great danger of Government ownership. The Government is out for votes; the private corporation for business; even if it has to make it."

The above appeared in that strongly Conservative newspaper, the *Montreal Gazette*; as did also the following:—

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**Editorial Montreal Gazette, August 13th, 1903.**

"In the current issue of the *Railway Age*, Mr. H. B. Meyer continues his discussion of the Government ownership of railways, taking up the cases of Austria-Hungary and the Danubian provinces. This article is specially noteworthy because of the influence Government ownership of the railways of Germany has had upon the fortunes of the agriculturalists of Austria-Hungary and the Danubian States, the attempt being made with great success to utilize railway rates as a supplement to the protective policy of the country. Not only have the German railways refused to co-operate with those of Austria-Hungary in making rates which would encourage traffic designed for local consumption, but the refusal has killed off the very large export business the port of Stettin at one time enjoyed with Great Britain. In 1877 these exports amounted to 25,000 tons. During the four years ending with 1901 these exports declined to 486 tons.

Germany has also fixed the rate so that importations of agricultural products from Austria, Hungary and the Balkan States is practically impossible. Stranger in Hungary, where the state owns 82 per cent. of the railways, the same policy of discriminatory rates has been applied against Austria for the purpose of encouraging home production. Austria, on the other hand, is powerless to avail herself of the full force of this protective policy, for 42 per cent. of the country's railways are still owned and operated by private companies, which seek for traffic wherever it may be obtained and regardless of its origination. The effect of this is that Austrian manufacturers are at the mercy of the German and Hungarian manufacturers, who are amply protected by the state owned railways of these countries refusing to handle Austrian goods except at practically prohibitive rates.

The result of this refusal of state owned railways to co-operate on rates on long distance traffic is that produce has been driven to the waterways, and

the railways have remained nothing but feeders to them. There is a considerable market to-day in Madgeburg, Germany, for Roumanian grain. The distance is only 1,440 miles by rail, and a railway should be able to handle the traffic for, in Mr. Meyer's opinion, \$4.75 per gross ton. But the railways will not make the rate, and the grain must get there. So the grain goes by rail to the Danube and down the river to the Black Sea. There it is placed on steamers and conveyed by way of the Mediterranean to Hamburg, delivered on the barges again and shipped up the Elbe. The distance is over 5,000 miles, as against 1,440 miles rail haul. The charge is \$5.66 a short ton, or fifty cents more than the present charge for carrying grain from Duluth to Madgeburg, including a rail haul of one-third the distance of the complete rail haul of the Roumanian-Madgeburg line. This gives one an idea of the actual detriment government ownership is to transportation, inasmuch as it destroys almost every inducement leading to the improvement of rates of travel, whereas under private ownership competition constantly renders improvement imperative."

**Subsidies in the United States.**

It has been said frequently, in a portion of the press of Canada, that the railroads of the United States have been constructed without Government subsidy. So far from this being the case, the Federal Government of the United States, since 1850, have granted subsidies to more than fifty different railroads extending west from the Mississippi River, aggregating in Mississippi River aggregating in cash \$1,000,000 and by land grants amounting to over 200,000,000 acres. In addition to this, the United States Government sustained the credit of the roads so subsidized by paying interest upon the bonds of these roads until they became self-sustaining. This interest represents an additional sum of \$35,000,000.

The principal land grants given by the United States to aid the construction of railroads in the west were: To the Southern Pacific, 31,207,000

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acres; to the Union Pacific, 19,400,000 acres; to the Atchison, Topeka and Santa Fe, 45,800,000 acres; to the Northern Pacific, 47,000,000 acres; to the Texas Pacific, 23,000,000 acres; to the Missouri Pacific, over 7,000,000 acres; to the Chicago and Northwestern, 8,000,000 acres.

### Land Grants.

The total cash subsidy to the Union Pacific was over \$33,000,000; to the Southern Pacific over \$27,000,000; and to other roads, millions of acres of land grant. It must be borne in mind that the United States Government paid \$100,000,000 in cash, and 200,000,000 acres of land, to induce the building of 25,000 miles of railroads west of the Mississippi. To day, the Ottawa Government is sternly opposed to the granting of a single acre of public land to a private company for the construction of a railway. Still, we have the historical fact, that out of the 200,000,000 acres of land granted to railroads in the western States, the companies sold 98,000,000 acres to settlers, or almost one-half of the entire land grant. That means that the railroads, in endeavoring to

recoup themselves, and to build up the territory tributary to their lines, and to create a paying traffic, have induced the location, in what was 50 years ago a wilderness, of more than 10,000,000 of people. In consequence of this, the building of 25,000 miles of railroad west of the Mississippi resulted in such a development, that that portion of the United States to-day contains 90,000 miles of railway, or one-half of the railway mileage of the United States, and the population has increased from less than 1,500,000 in 1850, to more than 21,000,000 in 1902. These are some of the results obtained from the railway subsidies granted, supplemented by subsidies granted by states, counties, cities and towns. The State of Missouri alone granted almost \$25,000,000 in subsidies for the building of railroads within its borders.

Magnificent results have been produced in the United States by the granting of subsidies for the building of railways. In very many cases good results have been accomplished in Canada by the granting of subsidies to railways. The whole thing must be judged by results.

## THE OPPOSITION LEADER'S DIFFERENT POLICIES.

To understand the question thoroughly, and to cast an intelligent vote on it, one must know what are the Opposition policies regarding the projected national transcontinental line. To do this will take a little time, but it is time well spent.

### R. L. Borden's Many Shifts.

Mr. Borden, the leader of the Opposition, propounded three distinctive, discordant, and mutually destructive schemes during the two sessions that the Grand Trunk Pacific project was being considered. The whole course of the Opposition with regard to this subject has been a vacillating and shifting one.

### Mr. Borden's Policies in 1903 and 1904 respectively.

Mr. Borden first proposed in 1903 an alternative line. Then, in 1904, he could only go so far as to express an

opinion, early in the session, in favor of the extension of the Intercolonial as far as Georgian Bay. He moved a resolution declaring for the best and cheapest carriage for our products and importations, and laid stress on making the Canadian routes the most economical. In order to accomplish the desired results, a resolution was moved, declaring that the following objects and considerations should be kept constantly in view:

(a) To develop and extend the Government system of railway to free the management thereof from party political control or interference.

(b) To secure absolute and thorough control of rates and traffic facilities in return for reasonable public aid to railway construction or improvement.

There are some other considerations mentioned in the extremely long resolution, but the only one that bears upon the point is as follows:

It (the G. T. P. contract) not only fails to provide for the extension of the Intercolonial Railway, but it commits the country to a project which is calculated to postpone for 50 years, and probably for a century, any attempt to establish and develop in Canada a national system of railways owned and controlled by the people.

The resolution concluded by asking the House to declare that the country required the immediate construction, and control by the Dominion, of such lines of railway in the West as are required, and the extension of the Intercolonial Railway to Georgian Bay, and thence to Winnipeg. This was Mr. Borden's policy as declared on April 5th, 1904.

#### Mr. Borden's Third Policy.

On May 26th of the same year, the leader of the Opposition placed before the country another policy, which was not the one of the session of 1903, and was not the one of April 5th, 1904, but one which was expressed in the following resolution:

The House is of the opinion that instead of ratifying the proposed agreement, it would be more in the public interest that the Dominion should assume the whole obligation necessary for extending across the continent the present Government system of railways, thereby completing a transcontinental railway from the Atlantic to the Pacific, entirely owned by and under the control of the people of Canada.

In the enthusiasm of this new and third resolution, Mr. Borden declared that if he were returned to power he would cancel and repeal the G. T. P. contract. A little later will be described the alternative project which Mr. Borden put forward in 1903. But to pass on for a moment to say that the resolution of April 5th, which ignored entirely the first policy, declared in favor of developing and extending the Government system of railways, and it reproached the Government for the contract which a subsequent clause of the resolution declared would postpone any attempt to establish and develop in Canada a national system of railways "owned and controlled by the people." That was a mere general observation, and means nothing.

#### Mr. Borden's Fourth Policy.

But these were not all of Mr. Borden's policies. He had another and went

elaborately into the particulars as to the best course to be pursued, and arrived at the conclusion that the all-rail route was no good, and declared in favor of using the water route. His water route consisted of a scheme for handling the grain precisely as it is handled now. He described a steamer going from Fort William to Parry Harbor, on the Georgian Bay, and there discharging grain to be transferred to the railway, and by it carried to Montreal. Every one knows that this is precisely what is being done, and has been done for years, during the season of navigation. Then, he proceeded to say:

The fourth feature of the policy which I propose is this. I would assist the Grand Trunk Pacific Railway, on reasonable terms, to build a line north of the Canadian Northern Railway, and as far west as Edmonton, or some adjacent point. This assistance should be coupled with complete control of rates.

#### Still Other Opposition Policies.

Another policy of the Opposition was to assist, with both land and money grants, the Grand Trunk Pacific, from North Bay to the Pacific Ocean. This policy was enunciated by Mr. W. B. Northrop, Conservative member for East Hastings. He referred to the statement of Sir Charles Rivers Wilson, to the opposition offered to the Grand Trunk Bill in the House of Commons, and asked the question, from whom that opposition emanated. "Not," said Mr. Northrup, "from His Majesty's loyal Opposition, for we always, to a man, have been in favor of the original proposition of the Grand Trunk Railway Company. . . . We never had a chance to express our views on this point, any further than to announce that we were in favor then, as we are now, of a Grand Trunk line from North Bay to the Pacific, as the Grand Trunk itself wished."

It seemed such an extraordinary thing that an organized political party should favor giving to a railway company 12,460,000 acres of public land, that Mr. Northrup had a question put to him by the late Mr. McCreary, the member for Selkirk, who wished to know if he had correctly understood the statement made on behalf of the Opposition, and Mr. Northrup replied:

I have no hesitation in saying that I believe every member of the Opposition was in favor then, and is in favor now, of assisting the Grand Trunk Railway Company to build west from North Bay.

This statement, which meant that the Conservative party in Parliament was a unit for a scheme under which Canada's trade would have been dropped down to Portland, was cheered by the other members of the Opposition.

Let us ascertain from Mr. E. B. Osler, Conservative member from West Toronto, just what that policy was which the Opposition "to a man" had always favored. He said:

The original scheme of the Grand Trunk was to build their road from North Bay, westward to Winnipeg, in order to get the business of the north, a good sound business proposition. This was the scheme which they outlined. The president says it was their original scheme, and it was in a measure put aside by the Government.

### First Proposals.

The following letter or petition from the president of the Grand Trunk Railway Company shows clearly what the proposals were, in favor of which the Opposition had always been, and were still, "to a man":

Montreal, Que., November 3rd, 1902.  
To the Right Honorable  
Sir Wilfrid Laurier, G.C.M.G., P.C.,  
Premier of the Dominion of Canada,

Ottawa, Ont.

Sir—Your petitioners desire to memorialize your Government in regard to the construction of a first-class line of railway from the northern terminus of the Grand Trunk Railway, at or near North Bay, Ont., through to the Pacific coast for the reasons and upon the conditions herein set forth:

1st. That it is considered very desirable and in the public interest that there should be, without any unnecessary delay, a second transcontinental railway, reaching from the Atlantic Ocean to the Pacific Ocean, in order that additional facilities may be provided for the large growing business of the Northwest, which might otherwise find its outlet through American channels.

2nd. That your petitioners propose, as soon as authorized by your Government, to undertake the construction of such a line from North Bay, Ont. (or some other point thereof to be defined), to the Pacific Coast, the terminus to be at or near Port Simpson, with all necessary branches along the route, to be designated.

3rd. That your petitioners, therefore, ask that their application for authority to construct such a line of railway, to be called the "Grand Trunk Pacific Railway," shall be granted.

4th. That your petitioners will be prepared, immediately an agreement is entered into by the Government, and the concessions hereinafter mentioned are sanctioned by an Order in Council, to place a corps of engineers in the field, both at the eastern and western ends, and at other points on the projected line.

5th. That the routes to be selected shall be submitted to and approved by the Government, after proper surveys have been made.

6th. That as soon as the plans and routes are approved, work shall be commenced and the road be completed and in operation within a period of five years from the time the Act is in force.

7th. That all the work shall be subject to the inspection and approval of the chief engineer of the Government.

8th. That in order to provide for connection with the Atlantic sea-board all the year round, and through an all-British territory route, your petitioners will be prepared to enter into an arrangement with the Government for an interchange of traffic, or other satisfactory agreement, with the Intercolonial Railway at Montreal, or to consider such other proposal as the Government may submit.

9th. That your petitioners would have the advantage of all the easy connections, in Ontario and Quebec, of the Grand Trunk Railway, and by this means, on the completion of the transcontinental line, there would be established and opened up a complete system from ocean to ocean.

10th. That the conditions referred to in clause 4, upon which your petitioners would undertake the carrying out of the proposed work, may be set forth as follows:

(a) That the Dominion Government will grant a cash subsidy to your petitioners of \$6,400 per mile of railway, and in addition 5,000 acres of land per mile.

(b) That the payment for the carriage of the mails shall be calculated on the same basis as provided for under the contract made with the Canadian Pacific Railway Company.

(c) That rails and materials of every kind used in the construction of the railway—if suitable—shall be admitted free, if such material cannot be obtained in Canada upon equally favorable terms.

(d) That the Grand Trunk Pacific Railway, and all stations and station grounds, work shops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company, shall be forever free from taxation by the Dominion or by any province hereafter to be established, or by any municipal corporation therein; and the lands of the company in the Northwest Territories (until they are either sold or occupied) shall also be free from such taxation for twenty years after the grant thereof from the Crown.

Your petitioners ask that your Government will give the prayer of this petition their early and most earnest consideration.

And your petitioners will ever pray,

On behalf of the petitioners,

GEO. A. COX,

CHAS. M. HAYS,

WM. WAINWRIGHT.

### Policy for Every Day in the Week.

The leader of the Opposition had, the following six policies:

1st. In 1903 were the water routes, lake, canal and river.

2. The extension of the Intercolonial Railway to Georgian Bay, and thence to Winnipeg.

3. To give assistance to the Grand Trunk Pacific.

4. Control of rates in return for reasonable public aid, also the extension of the Intercolonial as a Government road, and free it from Government control.

5. The extension of the Intercolonial across the continent "owned and controlled by the people."

6. To aid the Grand Trunk to build from North Bay to the Pacific, as they wished.

### Recorded in Hansard.

All of these various proposals will be found registered on the pages of Hansard, page 9001, vol. IV., Hansard, 1903, on April 5th, 1904, and finally the issue of Hansard dated May 26th, 1904.

It will be noticed that in all his various resolutions and amendments, the Opposition leader is careful to avoid the use of any expression indicating Government operation of the railway, which is the essential part of what is commonly called a State-owned road. The Eastern Division of the Grand Trunk Pacific would be called a Government road in the sense that Mr. Borden uses the term, as it will be owned by the Government, but it will not be operated by it. It will be operated by the Grand Trunk Pacific as part of a system having many ramifications. Mr. Borden seems to be willing that the people should take his socialistic expression "controlled by the people," as meaning that he is in favor of not only building the transcontinental line, but operating it as well, by the Government. No one can put his finger on a single line to the effect that he is in favor of such a road. He is simply running all around the lot, hatching new schemes every now and then, and failing to reconcile his latest scheme with the one before that again. Each proposal he makes

kills the last proposal he made. Having discarded his wild alternative scheme of the session of 1903, it would seem futile to waste time and space on it. But in order that it may be shown just how wild and madcap a scheme he laid before the House of Commons, it will be worth while describing what will be known in history as the Borden Alternative Policy.

### Borden's Alternative Policy.

The scheme of the leader of the Opposition was to get a through line from Montreal to the Pacific Coast by buying up old lines and building some new ones in the following manner.

(1) To construct a railway from Coteau to Jacques Cartier Junction as a connecting link between the Intercolonial and the Canada Atlantic Railway; (2) to purchase the Canada Atlantic Railway; (3) to build a connecting link between the western terminus of the Canada Atlantic, from Scotia Junction to Sudbury; (4) to buy that part of the C.P.R. from North Bay, around the shore of Lake Superior, to Fort William; (5) to assist in improving the grades on the C.P.R., or the Canadian Northern, or both, from Fort William to Winnipeg; (6) to assist the Grand Trunk from Winnipeg to a point near Edmonton; (7) to build from Edmonton to the Pacific Coast; (8) at some distant day, to build a colonization road from Quebec to Winnipeg; (9) to develop all the waterways and ports of Canada.

This extraordinary proposal, which will be shown later on to involve an expenditure of hundreds of millions of dollars, is such an absurd scheme, that it might easily be said to be a mere invention of the "Grits," who, for political purposes, were trying to fasten it on to Mr. Borden. It is necessary, therefore, to quote from Hansard Mr. Borden's precise words. The extracts are from the revised Hansard of 1903, showing that Mr. Borden not only used the words, but that he carefully revised them. The figures in the summary are attached to the extracts bearing upon them, as follows:

1 and 2. If, however, the Canada Atlantic Railway commends itself to the judgment of experts, and from what information I can obtain with regard to it, I should think it ought to com-

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mend itself, and I would think that the extension of the Intercolonial Railway between Coteau and Jacques Cartier Junction, and the acquisition of the Canada Atlantic Railway to Depot Harbor, would place the Intercolonial Railway in a much better position than it is at present. (p. 928g).

3. I have suggested the extension of the Intercolonial Railway to the Georgian Bay. If we acquired the Canada Atlantic we could build a line from that point to join the Canadian Pacific Railway at or near Sudbury. By that means the Intercolonial, besides being extended to the Georgian Bay, could be joined by a line about two miles in length, to the Canadian Pacific Railway, running north of Lake Superior. (p. 9293.)

4. I say, it would be a proper and wise thing for this Government to acquire that railway from North Bay to Fort William, and make it a national highway of Canada, giving to the Grand Trunk Pacific, the Canadian Northern and the Intercolonial, as well as the Canadian Pacific Railway, running powers over it. (p. 9292.)

5. The third point which I would submit to the consideration of the House as a sound policy, is to assist in improving the grades of one or both lines from Winnipeg to Fort William, upon conditions that complete control of rates is obtained, and that the Grand Trunk Railways shall have running powers from Fort William to Winnipeg. (p. 9293.)

6. The fourth point on which I propose this policy is this, it will assist the Grand Trunk Pacific Railway, on reasonable terms, if they guarantee to build a line north of the Canadian Northern Railway, and as far west as Edmonton, or some adjacent point. (p. 9284.)

7. At some point this side of the Rocky Mountains there should be a common point, a junction between the Canadian Northern and the Grand Trunk Pacific Railways; from that on to the coast there should be one line. This line should be built by these companies, by such an arrangement as would give them joint control. Should there be any difficulty in coming to such an arrangement, the Government should build the line itself, and maintain control, and give these railways, for a term of years, running powers over it. There is no reason why we should build competing lines through the Rocky

Mountains, but there is reason why we should build the Grand Trunk Pacific Railway into the west, because the west is developing rapidly. But from some point near Edmonton to the Pacific Coast, there should be one railway. If these two great corporations, the Canadian Northern and the Grand Trunk Pacific, or the Grand Trunk Railway, as it is in fact, had equal running powers over the line to the coast, under independent control, by that means you would have, in fact, three transcontinental railway lines in Canada, and I think you would have the transportation problem in Canada settled as to its main features for the next twenty-five years.

8. I have some doubt as to whether or not the great northern country can compete, as early as we would desire, with the great western country. But I am not disposed to minimize its importance in any way, and to my mind the rational way of dealing with that road from Winnipeg to Quebec is this. To thoroughly explore and understand it, and then to build that line from Quebec to Winnipeg as a colonization road, according to the requirements of the people and colonization demand. (p. 9295.)

9. The next point to which I refer, is one upon which I think there should not be two voices in this House or country. Thoroughly equip our Georgian Bay ports, our national waterways, our St. Lawrence route, and our ports on the Atlantic Coast. Give them the terminal facilities which shall enable them to compete with the American ports, free terminals. Give them terminals on the Georgian Bay, both on the east and west coasts, develop the waterways on the St. Lawrence route, develop the facilities at Port Colborne, exploit the harbor at Montreal, and make that a national port, a free port in the true sense of the term. Do the same with regard to the port of Quebec, with regard to the port of St. John, with regard to the port of Halifax. The people of this country are not afraid of spending money, if it is spent in a sane and reasonable way. (p. 9296.)

The above extracts prove out of Mr Borden's own mouth, that he said he would do what is here stated he proposed to do. Then, the question arises, what would his schemes have cost?

## WHAT MR. BORDEN'S ALTERNATIVE RAILWAY POLICY WOULD HAVE COST.

The distance from Montreal to Coteau is 37 miles. To construct a road through a thickly settled, rich territory like this would, at the least estimate, cost \$35,000 a mile, or \$1,295,000. Assuming that the cost would not exceed \$30,000 per mile, we have an expenditure of \$1,110,000. Mr. Clancy, the Conservative member for Bothwell, placed the cost of this piece at \$1,000,000.

The next step would be the acquisition of the Canada Atlantic Railway, a road 342 miles in length. It is well known that the Canada Atlantic Railway cannot be purchased by private parties for less than \$16,000,000, or more, and it would not cost the Government less than \$18,000,000.

Then, Mr. Borden was going to build a railway from Depot Harbor, or Scotia

Junction, to Sudbury. This would pass through a country similar to that in Northern Ontario, where the Government estimate is \$35,000 per mile. Assuming that it could be built for \$30,000 per mile, the cost of that link would be \$3,600,000.

Then, Mr. Borden proposed to buy the Canadian Pacific Railway from North Bay to Fort William, and to spend money on the improvement of it. The cost of this would be, approximately: North Bay to Sudbury, 79 miles at \$30,000 per mile, \$2,370,000; Sudbury to White River, 304 miles at \$35,000 per mile, gives an expenditure of \$10,640,000, as the Canadian Pacific Railway would not certainly sell that portion of their road at less than cost, and the figures given here represent approximate cost. To make a long story short, however, we have the railway expert of the Opposition, Hon. John Haggart, ex-Minister of Railways, placing the cost of the 634 miles from North Bay to Fort William at \$60,000 per mile. This would make that portion of Mr. Borden's scheme cost \$38,040,000.

Mr. Borden proposed to acquire control over both the Canadian Pacific and the Canadian Northern from Fort William to Winnipeg, a distance of 850 miles. This must involve the purchase of both of these lines. He also proposed to reduce the grades of the Canadian Pacific Railway, which would be necessary to enable that track to accommodate the extra traffic between North Bay and Fort William. That is estimated to require \$3,000,000. He also proposed to reduce the grades of the Canadian Northern Railway, a piece of work estimated to cost \$1,500,000.

Mr. Borden outlined his scheme as one for a continuous line of railway from Montreal to Winnipeg, which was to accommodate with running rights other roads, and thus carry the entire traffic from west to east, and vice versa. He has now only got as far as Fort William, and to acquire control of the Canadian Pacific Railway and the Canadian Northern Railway, the two existing lines, running from Fort William and Port Arthur to Winnipeg, he would have to purchase both the lines. The Government of Canada built the Canadian Pacific between Fort William and Winnipeg,

and paid for its construction \$15,638,000. It was afterwards given as a gift by the Conservative party to the Canadian Pacific Railway Company. The purchase of the Canadian Northern from Fort William to Winnipeg would cost \$10,625,000. Under this scheme the C.P.R. could discard using the line from Winnipeg to Fort William and divert their traffic to Minneapolis, St. Paul, Duluth, Superior City, and other United States cities and ports.

Mr. Borden has now arrived at Winnipeg from Montreal, after an expenditure, under his scheme, of over \$93,000,000. Up to this point his road has not opened up for settlement an additional square mile of country. It would not cover a single mile that is not now either built or building. There are at the present moment two companies constructing railways between Sudbury and Depot Harbor, the terminus of the Canada Atlantic Railway.

The 1,000 miles of Prairie Section required to connect Winnipeg with Edmonton would cost (according to the Opposition method of calculating cost), \$13,000,000.

Then, Mr. Borden has stated:

The fourth point on which I propose this policy is this. It will assist the Grand Trunk Pacific Railway, on reasonable terms, if the guarantee to build a line north of the Canadian Northern Railway, and as far west as Edmonton, or some adjacent point

The same assistance as was given to the Canadian Northern Railway, \$13,000 per mile guaranteed, would doubtless be given by Mr. Borden to the Grand Trunk Pacific for the 1,000 miles which separates Winnipeg from Edmonton. This would mean another \$13,000,000, and at Edmonton he would still be 600 miles from the Pacific coast.

The Conservative estimate for the Mountain Section between Edmonton and the Pacific coast was stated in the House of Commons to be \$56,000 per mile. The exact distance between Edmonton and the Pacific coast cannot be exactly stated, and it has been a matter of dispute. Therefore, it may be called here 550 miles. The estimate of \$56,000 per mile as the cost of construction over the Mountain Section has been described as high. If it is placed at, say, \$48,000,

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then we will get the total cost of the Mountain Section at \$26,640,000.

The cost of Mr. Borden's alternative scheme has now reached the enormous sum of \$133,523,000. That is what it would cost to extend the Intercolonial Railway from Montreal to the Coast, and grant aid, as Mr. Borden said he would, to the Prairie Section of the Grand Trunk Pacific.

#### Mr. Borden's Colonization Road.

Then, at a more distant date, Mr. Borden, as part of his policy, is going to build a colonization road from Quebec to Winnipeg, and as a further part of his scheme, as shown above, he was to develop all the waterways, and expend enormous sums on the equipment of the harbors of the Dominion, and still he has not provided for giving a more direct railway service to the Maritime Provinces from Quebec. As to the building of a railway from Quebec to Winnipeg, Mr. Borden spoke as follows:

So far as the line from Quebec to Winnipeg is concerned, I am not disposed to minimize the possibility of that northern country. Looking at the history of the great west, there may be a great flood of settlement into that country north of Lake Superior some day or other, at least up to a certain point west, but I do not think we know enough to justify us at present in saying that there will or will not be, because I do not know how far that country is capable of competing, in the early future, with the magnificent country we have in the Northwest. I have some doubts as to whether or not that great northern country may compete as early as we desire with the great western country. But I am not disposed to minimize its importance in any way, and to my mind the rational way of dealing with the proposed line from Quebec westward is this: First thoroughly exploit and explore that northern country, realize and understand its capabilities for settlement and colonization, and build such railways as these conditions and requirements demand. Build only after you have obtained the fullest possible information, and obtain that information with the least possible delay. You may find curious conditions surrounding you when you get into that country. You may find that the road which is the most direct line to the Pacific Coast will not be the road that will open that country for colonization. You may find it necessary to have a road running in one direction for colonization purposes, while any future line to the coast must take a very different direction. (Hansard, 1903, page 902.)

Speaking later, on page 12622 of the same Hansard, Mr. Haggart quoted the above remarks, *saying*, "I adhere to that."

It is obvious to every person, except, apparently, Mr. Borden, that to advise the building of colonization railways, and at the same time to advise delay, is to ignore a notorious fact, that railways are the pioneers of settlement, and that if a country is to be settled railways must go first. The Government policy is to build at once.

Assuming that a colonization road could be built between Quebec and Winnipeg for \$20,000 per mile, this part of Mr. Borden's plan would entail a further expenditure of \$28,000,000. He does not propose to go on immediately with this second line of his to the north, but it is part of his plan, as stated by himself; and adding this to the cost of his alternative scheme, we have a total expenditure proposed by the Opposition leader of \$161,523,000, just to prove, probably, the truth of his remark, "I am not afraid to spend money," and "the country is not afraid to spend money."

#### Not Able to Understand Each Other.

Speaking on this question, Hon. John Haggart, on page 12676 of Hansard of 1903, stated:

The proposition of my hon. friend (Mr. Borden) was to build colonization roads into that country according as its requirements demanded, with moderate gradients and equipment. In criticising that scheme, the right hon. gentleman (Sir Wilfrid Laurier) did not seem to realize the difference between building a road such as he contemplates, and one to be built gradually as settlement required, into that region which is described as so valuable by our friends opposite, in the northern part of Quebec and Ontario, and which would accomplish all the purposes for which it was needed, and would cost far less. The scheme of the right hon. gentleman simply means an expenditure four or five times that necessary to carry out the proposition of the leader of the Opposition.

It will be noticed that Mr. Haggart construed Mr. Borden's colonization policy as one different from a road 'built gradually as a settlement required.' According to Mr. Haggart, the Opposition policy was not to build gradually as settlement required, and in so assuming, Sir Wilfrid Laurier, to whom he was replying, made a mistake. Now, let us see what Mr. Borden himself says about it. On page 12623 of Hansard of the same date, September 29th, 1903:

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If you build colonization roads from the central portions of Quebec and Ontario into that northern country, you will keep settlement, as it advances, closely in touch with the people in the central part of the provinces, and in that way will be more likely to accomplish the colonization of that country. By this method you will attract settlers, and it is the only business like method that can be suggested.

Just before that, on page 12622, Mr. Borden had said:

I say further, that I believe that the best method of opening that country by colonization roads will be by building these roads gradually.

This is simply one of the glaring inconsistencies, and the inability of one leader of the Opposition to understand the policy of the other. Sir Wilfrid Laurier was using Mr. Borden's own words in describing a road to be built gradually, and yet Mr. Haggart got up and said the right hon. gentleman did not seem to realize the difference between a gradually constructed colonization road and the one which Mr. Borden contemplated, and Mr. Borden said he contemplated "building these roads gradually." Mr. Haggart seemed to think that Mr. Borden did not understand what he was saying. Perhaps the public will agree with him.

#### What the North Bay Scheme Meant.

The inconsistencies of the Opposition in this matter are so numerous, that it is almost monotonous to point out the whole of them. Still, it is a serious matter, and the public should know just how the opposition stands. What was it that the Opposition, speaking through Mr. Northrup, member for East Hastings, was willing to do? It was willing to aid the Grand Trunk Pacific to construct a line from North Bay to Winnipeg, and thence to the Pacific Coast. Every person who is acquainted with the question knows that such a scheme would have meant the hauling of the grain and other produce of the West to North Bay, there connecting with the Grand Trunk system which has its outlet and terminus at Portland, in the United States.

More than this, look at the core of a proposition of this kind, which would shut out the construction of a through road over Canadian territory, and close

Canadian seaports to that enormous and growing trade from the Northwest. From North Bay to Winnipeg the distance is 1,050 miles, and from Winnipeg to the Pacific Coast, 1,442 miles, or a total of 2,492 miles. Mr. Northrup declared that the Opposition were, and always had been, perfectly willing to adopt this scheme. Part of the scheme was a subsidy of \$6,400 per mile, equal to \$15,948,000. Another part of the proposition was, an additional subsidy, or grant, of 3,000 acres of land per mile. This meant 12,460,000 acres of public land, which, at the lowest valuation, would be worth \$3 per acre. That amounts to \$37,380,000, and along with the cash subsidy of \$6,400 per mile, meant public aid for a road from North Bay to the Pacific Coast amounting to \$1,328,000. That is, over \$50,000,000 for a road which began in the middle, and which had for its natural terminus the seaport of Portland, in the State of Maine. That was the original proposition of the Grand Trunk Pacific promoters to which the Government would not listen, and which the Opposition, by the mouth of Mr. Northrup, declared it was in favor of, and would have supported. It may be said such a proposal is so crazy that no organized party would back it up, but in reply to this, a Hand of the House of Commons will show that a declaration of support for it was publicly made by a leading member of the Opposition, on the floor of Parliament. They steadfastly criticised and opposed the scheme that forced the Grand Trunk Pacific to build clear across the continent, from a Canadian port on one ocean to Canadian ports on the other. That is a truly national Canadian railway.

#### Willing Yet Unwilling.

In their better moments, some of their best men acknowledge that this is the only true national Canadian policy. For example, Mr. Monk, speaking after the session at a public meeting in support of Mr. Bergeron's candidature, in the county of Beauharnois, said: "The Conservatives are willing to give to the people of the Northwest another transcontinental railway, but they want the new road to come through the valleys of the Ottawa and the St. Lawrence. That out-

lay would give the older provinces, which had to pay the bills, some return for their outlay." These were his words, according to a report in the Montreal Gazette. As has already been said, Mr. Haggart, another Opposition leader, took the responsibility of saying on the floor of Parliament, that if another road was to be built, the route proposed by the Government, somewhere along the height of land, passing through Northern Ontario and Northern Quebec, would be the best possible route. Then, Mr. Monk gets up and says that the road should come through the Ottawa Valley and the St. Lawrence. The Canadian Pacific Railway now runs through the Ottawa Valley, and the Grand Trunk Railway runs along the St. Lawrence. How is it possible to have a new railway opening up and developing this country if it is simply to go over the route of existing lines? Such a policy would be absolutely childish, and no representative Parliament could possibly sanction it; yet, we have one of the prominent Opposition leaders publicly advocating such an absurd proposition.

#### More Divergent Views.

If the views of the Opposition are so divergent, what hope would the people of Canada have in returning them to power that anything in the way of a truly national project would be carried out?

Again, Mr. Monk asked why the Government did not itself construct the Prairie Section of the line? At the same time Mr. Borden placed a resolution on the journals of the House of Commons, offering to assist the Grand Trunk Pacific Company to build a line across the prairies.

Again, Mr. Monk contended that the construction of a new line from Quebec to Moncton was "perfectly useless," and at the same time Mr. Borden said: "I say that if there is a better line between Levis and Riviere du Loup, or any point on the Intercolonial, and Moncton, a line that will give Halifax and St. John a better fighting chance for western traffic than they have at present, I will support the construction of that line."

Mr. Haggart said: "I fail to see a scintilla of evidence that the eastern por-

tion of this road will be of any use." A few days later Mr. Borden, leader of the Opposition, said: "So far as the line from Quebec to Winnipeg is concerned, I am not disposed to minimize the possibilities of that northern country." He went on to advocate the building of a line from Quebec to Winnipeg as a colonization road, although his colleague and railway expert, Mr. Haggart, described such a road as perfectly useless.

Any serious man, looking at the various attitudes of the Conservative party in Parliament, and in its press, would find it so exceeding difficult to follow the tortuous course of the Opposition, that he would be forced to give it up in despair, and say, the policy of the Government is clear, the Liberal party is a unit in support of the Government, and the only possible thing for the country, for its development and advancement, is to strengthen the hands of the Government in constructing a national transcontinental railway on the lines of the Grand Trunk Pacific project.

#### A Few Additional Reasons for Building the G. T. P.

The following are additional reasons well worth reading:

It will be the only railway connecting the Atlantic with the Pacific, built wholly on Canadian soil.

The land to the north between Quebec and Winnipeg, described by the Conservatives as worthless, is the richest spruce territory in Canada and contains enough of that material to make this section of the route able to supply the world with pulp and paper. The demand for pulp and paper exceeds the supply and there is no limit to the wealth to be derived from this part of our natural resources. This is just one illustration of the falsehood told about the country through which the Grand Trunk Pacific is to run.

Canada is now dependent on the United States during a large part of the year for transcontinental railway communication. The Grand Trunk Pacific will make us completely independent of the United States and in that way do more, perhaps, to make a nation of the Dominion of Canada than any one other enterprise.

There is not one man in this country who will say that another transcontinental railway is not a necessity. That being the case the policy of building this road in connection with the oldest and largest system of railway in Canada, the Grand Trunk, cannot be disputed.

This railway is a colonizing road from start to finish, opening up good land for settlement and affording access to the enormous natural resources of the country yet remaining untouched along this northern route.

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The Grand Trunk at first wanted to build this road westward from North Bay but the government refused to sanction their proposal chiefly for the reason that the traffic would have come from North Bay to Montreal and on to Portland, a city in the United States where the Grand Trunk have large terminal facilities. Instead the government insisted that the Grand Trunk should enter into a contract to build past North Bay on through Canadian Territory to Canadian ports on the Atlantic ocean.

Mr. Jabel Robinson, the Master Granger in Ontario, and a member of the House of Commons, expressed himself, in his capacity as a farmer, to be in favor of an independent trans-continental railway, and he opposed the plan of the leader of the opposition to utilize portions of the C. P. R. He is not in favor of putting all his eggs in the one basket.

#### A Short Line.

Looked at from the standpoint of a great imperial highway, the Grand Trunk Pacific possesses advantages which must weigh heavily in its favor. It shortens the distance between Great Britain and the East by many hundreds of miles. A few comparisons of routes will make this clear. By the present existing Canadian routes the distance from Liverpool to Yokohama is 10,045 miles—Liverpool to Quebec, 2,632—Quebec to Vancouver, 3,078, and Vancouver to Yokohama, 4,335—making a total of 10,045 miles. When the Grand Trunk Pacific is completed, the distance will be lessened by about 528 miles. It will then be—Liverpool to Quebec, 2,632 miles; Quebec to, say, Port Simpson, about 3,025 miles; Port Simpson to Yokohama, about 3,860 miles—total, 9,517 miles. The Grand Trunk Pacific will not only afford the shortest route from the British ports to the East, but also from the large centres of Canadian production and commerce, and by means of the new system's extensive connections it will also be the shortest route to the Orient for many of the largest cities of the United States.

#### Character of the Country.

From Quebec city the line of the Grand Trunk Pacific will proceed through the northern portion of the Province of Quebec in a westerly direction, crossing the western boundary of the Province at a point about fifty

miles south of Lake Abitibi. The territory traversed is largely unsettled and at present, practically inaccessible to settlers by reason of its lack of communication. That the greater part of it is rich in agricultural, mineral and forest resources has been established by geological surveys and by the success that has attended settlement in similar districts situated even farther north than the proposed route of the Grand Trunk Pacific. A settlement, whose prosperity is an evidence of the worth of north-western Quebec, is that in the Lake St. John region, situated almost due north from the city of Quebec. Here large forest areas have been cleared and the farmer's plough has superseded the axe of the lumberman. A large population is maintained in prosperity. A rich soil was found awaiting the husbandman and abundant crops rewarded the industry of the settlers. The soil is generally composed of a rich grey clay; and the land seems to be inexhaustable. In some places heavy crops of wheat have been produced for the last fifteen years and the yield shows no sign of falling off. Throughout the district wheat and other grains produce abundantly and ripen well. The climate is very similar to that enjoyed by the residents of Montreal, while it is said to be considerably milder than that of Quebec city. The snow fall is certainly less than that in the vicinity of the latter. Such is the character of a large settled area of northern Quebec, situated fully 100 miles north of the proposed line of the Grand Trunk Pacific Railway.

#### North-Western Quebec.

Of the character of the north-western portion of Quebec there is much reliable information contained in reports of surveys made by Government geologists, and it should be borne in mind that these surveys were made before the new trans-continental railway was projected. It has been found that the whole country slopes westward, and generally speaking is fairly level. With regard to one comparatively small section the report states that here 2,250 square miles, or approxim-

ately, one and a half million of acres of land were found to be "generally fit for agricultural purposes, the soil of which is composed of yellow and black loam." In that section the predominating timber was found to be yellow and black birch, and in the low land and swamps, cedar, ash, elm, balsam, occurred most frequently. The general surface of the land to be traversed by the railway is undulating, and without mountains of any consequence.

#### The Abitibi Region.

Farther west is the Abitibi region, and in describing its resources the geological reports says: Minerals—Iron, copper, magnetic iron, pyrites and stentite are reported, and inasmuch as the great Huronian belt of metaliferous rocks traverses this region, further discoveries are anticipated. Timber—White and red pine are found over the whole region. On the north side of the height of land, pine trees measure from eight to nine feet in circumference. White spruce, yellow birch, cedar are also tolerably abundant. Poplar, canoe birch, banksian pine, elm and ash are also reported, and sugar maple and aspen. "The whole country northward from the mouth of the Montreal River is correctly described as a level clay plain with rocky hills protruding here and there through it. Clay appears to be uniform throughout the whole region. Indian corn is grown in several localities near the head of Lake Temiscaming."

#### The Area of Arable Lands.

In regard to arable land the report states: The largest areas of arable land are on the Blanche and around Lake Abitibi. Several acres of this clay soil are cultivated at the Hudson Bay Co.'s. post at Abitibi, and with satisfactory results. The only crop grown at present is potatoes; but I was informed, by the man who had charge of the farming operations, (a French Canadian who had been more than thirty years at Abitibi, but was brought up a farmer near Sorel in the Province of Quebec) that several other crops, including wheat had been tried in for-

mer years, and with such results that he is inclined to insist that all the ordinary cereals can be cultivated as successfully at Abitibi as on the St. Lawrence. Such an opinion from a man who has been for so many years practically engaged in the cultivation of the soil, it worth recording and ought to be reliable."

#### Northern Ontario

In describing the western part of the Abitibi region which is in the Province of Ontario, the report refers to the abundance of fur bearing animals, and speaks in particular of the rich agricultural lands. In this connection it says: "From my observation in this district I am convinced that there are large areas of agricultural land, of excellent quality, especially in the river valleys, the soil in most cases being a clay loam, free from stones and easily cleared. The climatic conditions also seem favorable for farming operations and these would improve with the clearing and drainage of the land. Out of a collection of nearly seventy species of plants from the district, Professor Macoun says, that there is only one that indicates a cold climate, and that was found in a peaty swamp. When it is remembered that Lake Abitibi is farther south than the southern boundary of Manitoba, it will be seen that there is nothing in the latitude to prevent the successful cultivation of the soil, and further, it has been practically proved for many years that vegetables of all kinds can be successfully grown at Abitibi post."

Such heretofore is the Lake Temiscaming district, in which settlement is already far advanced and where a considerable population is carving out for itself productive farms.

The line of the Grand Trunk Pacific will enter this extensive tract of territory known as "New Ontario," containing the recently discovered fertile "clay belt of sixteen million acres of arable land." In describing the climate and resources of northern Ontario, the report says:

The result of the exploration is that a tract of arable land has been found north of the height of land, stretching from the Quebec boundary west across the districts of Nipissing, Algoma

and Thunder Bay, comprising an area of about 24,500 square miles, or 15,680,000 acres. The soil is clay or clay loam, nearly all suitable for farming purposes, and the region is watered by the Moose and its tributaries, the Abitibi, Mattagami and Missinabie, and the Albany and its tributaries, the Kenogami and Ogope. Along this latter stream alone, about which, formerly, nothing was known, a tract of good land was found extending on both sides of the river for over forty miles, and in the district of Rainy River, between the surveyed townships, around Dryden and Lac Seul, another extensive area of good land was found, about 600 square miles, or 384,000 acres in extent.

A great pulp wood forest has been located north of the height of land extending across the districts of Nipissing, Algoma and Thunder Bay, with a depth in some places of 50 miles. The timber embraces all the common pulp woods such as spruce, poplar, jack pine and balm of gilead, as well as tamarac and cedar, along the banks of the streams. It is generally of good quality, usually thick on the ground, and ranges in size up to three feet in diameter. In the district of Nipissing, south of the height of land, an extensive pine forest was explored and estimated to contain about 3,000,000,000 feet, B. M.

The climate of this region is reported to have no features which would prevent the ripening of grain or the growing of root crops. It lies for the most part south of the 50th parallel of latitude, which crosses the Province of Manitoba near Winnipeg, and its climate does not differ much from that of the latter Province. Crops of grain, potatoes and other vegetables, and even small fruits were found growing as far north as James Bay.

From these reports and from the success that has already attended settlement in this hinterland of Quebec and Ontario, it is evident that these extensive stretches of territory possess resources which only require development to suffice for the support of a large population, but which cannot be developed without the opening up of the country by means of a railway.

#### The Route Through Manitoba.

Crossing into Manitoba near the English River, the Grand Trunk Pacific will enter the great Canadian west, a land of prairies and rolling hills, the richest grain and pasture land in the world, where millions of fertile acres await home seekers, and where comfort and independence are the sure reward of industry and prudence. By common understanding the Canadian west comprises Manitoba, and the three territories of Assiniboia, Saskatchewan and Alberta, an area of 238,151,-

680 acres. And to the north of the territories is the district of Athabasca, containing within its borders 155,622,-400 acres of land alone. Much even of the enormous area of the latter is well within the wheat belt and rich in agricultural promise. Of all this vast area, only a fraction, or 4,700,000 acres, was last year under crop, producing more than one hundred million bushels of grain. This is merely an indication of the possibilities of the country, for when as large a proportion of the Canadian West is under cultivation as is the rule in the older and more thickly settled portions of the Dominion, Canada will be the greatest producer and exporter of bread stuffs in the world.

#### As It Affects the Intercolonial.

The people of the Maritime Provinces have, for many years, recognized the necessity for a more direct western railway connection. The extension of the Grand Trunk Pacific, from Quebec to Moncton, cannot be said to parallel the Intercolonial Railway, because, at some points, both roads will be from fifty to one hundred miles apart.

The construction of the Grand Trunk Pacific cannot fail to give new business to the Intercolonial, and to benefit that line. The completion of the Grand Trunk Pacific will probably bring with it the fast Atlantic service which the late Government, for eight years, and the present Government, for seven years, vainly endeavored to establish. At the present time nearly all of the Atlantic travel, from Canada in winter, and a large portion of it in summer, goes by American ports. A fast service would largely change this, and a great deal of travel be diverted to Halifax and St. John. The I. C. R. will certainly benefit largely from the resultant traffic, and it must be remembered that the Intercolonial controls the approaches and terminals of both the great ocean ports of St. John and Halifax. These outlets will fully enjoy all the advantages consequent upon the expansion of trade and the largely increased traffic created by the new Transcontinental Railway,

which will bring down a goodly share of the enormous western traffic.

Mr. Fielding submitted a statement showing the distance from Winnipeg to Halifax by the Government scheme and by the two schemes submitted by the Opposition. The figures are as follows:

#### Government Scheme.

Winnipeg to Quebec .....	1475 miles.
Quebec to Moncton .....	400 "
Moncton to Halifax .....	186 "
 Total .....	2061 "

#### Mr. Borden's Patchwork Scheme.

	Miles.
Winnipeg to Fort William via C. P. R. ....	426
Fort William to Sudbury, via C. P. R. ....	555
Sudbury to Scotia Junction to be built.....	105
Scotia Junction to Coteau, via C. A. R. ....	294
Coteau to Montreal, via G. T. R. ....	39
Montreal to Halifax, via I. C. R. ....	837
 Total .....	2256

or 195 miles longer than the Government scheme.

#### Sir Wilfrid Laurier.

Sir Wilfrid Laurier, in introducing the National Transcontinental Railway Bill in the House of Commons, said :

#### The New Railway a Link in the Chain of Canadian Union.

The Canadian confederation would have been a union on paper and a union on paper only, but for the fact that the Grand Trunk Railway, and the Canadian Pacific Railway and the Intercolonial railway brought all parts of our country together to act in unison and to beat with the same heart. This new railway will be another link in that chain of union. It will not only open territory hitherto idle and unprofitable; it will not only force Canadian trade into Canadian channels; it will not only promote citizenship between old Canada and new Canada but it will secure us our commercial independence, and it will forever make us free from the bondage of the bonding privilege. For that reason alone, in my estimation, it would be worth all the sacrifices and far more than we are called upon to make.

Sir, it is therefore with a firm heart that I offer this scheme to friend and foe; it is with a firm heart that I present it to the Canadian people.

I am well aware that it will not be received everywhere with the same feelings. I am well aware that it may scare the timid and frighten the irresolute; but, Sir, I claim that every one who has in his bosom a stout Canadian heart will welcome it as a scheme worthy of this young nation for whom a heavy task has no terrors, which has the strength to face grave duties and grave responsibilities.

#### The Necessity for a New Line.

Hon. Clifford Sifton, in a speech in the House of Commons, said :

They take issue with us as to the necessity for the railway, and I adverted to the fact that they loudly applauded my former colleague when he expressed himself as having been wholly oblivious of any demand for the construction of an additional transcontinental line. I, therefore, think it is wise to advert briefly to the evidence of such a demand and to the evidence of the fact that the government, in coming to the conclusion which it did is not submitting a proposition which is without public support and unwarranted by public sentiment. Well, I venture to express the doubt as to whether any member of this House can recollect any important proposition ever brought before the parliament of Canada which was received with such unanimous approval from all quarters as the proposition that the Grand Trunk railway should build to the Pacific. Whether the people would approve of the method proposed, is matter for discussion, but there can be no doubt as to the opinion of the people of Canada regarding the necessity for a new railway across the continent. We find the evidence in all shapes and forms.

#### Truly a National Policy.

Hon. W. S. Fielding, in a speech in the House of Commons, May 26, 1904, said :

Never before was such a truly national policy presented to this parliament as that which we have presented in this transcontinental railway scheme. From ocean to ocean it has commanded the admiration and confidence of the people. British Columbia is practically unanimous in support of it; as a Conservative editor in that province has said, the people of British Columbia should be a unit for this scheme and the men in public life who oppose it will as they should go down to defeat. Come down to the Northwest Territories and Manitoba and the people hail this scheme as a new line of competition, a new outlet for the people of that region who want to send their products to market. Come down to the province of Ontario. Opposition members from Ontario say there is nothing for their province in this scheme. Read the testimony of the president of the Board of Trade of Toronto, Mr. Ellis, who says that this is not only a great scheme for Canada, but a great scheme for Ontario, and a great scheme for its capital city of Toronto. Come down to the province of Quebec and where is the man in that province who dares to hold up his head against this scheme? A handful of men who by some accident have struggled into parliament from the province of Quebec are found to-day apologizing for their opposition and moving amendments, declaring where this road ought to go. The province of Quebec is a unit in favor of this scheme and in the provinces down by the sea, in the public press, in the independent press, in the boards of trade, in the public bodies that represent public opinion it shows public sentiment is in favor of this scheme. It is indeed truly a national policy and one which demands, and will receive the confidence and approval of the people.

### The New Transcontinental.

Sir Richard Cartwright said :

Sir, it is with that object, and for that reason, that the Government at the last session laid before you what is known as their railway platform, the project for the construction of a great transcontinental railway from Quebec or Moncton to the Pacific coast. I desire to point out to you what the ends and the aims of the government are in his matter. We desire, and we have the right to desire, to open up new territory; we desire to add to our population; we desire to add to our wealth, and exploit our yet undeveloped resources, both mineral and agricultural, but over and above all these reasons, important and valuable as they undoubtedly are, there are grave political causes at work which have induced the government to propose this policy for your adoption. Sir, it is known to everybody who has bestowed the slightest attention to the subject that between the great centres of Canada, between the east and the west, there extends at present a great gap which must be bridged if Canada is to become a united and homogenous whole. (Cheers.) The very success which has so far attended our efforts to colonize the west has in it elements of danger. You who choose to examine the map of North America will see for yourselves that that continent is very peculiarly situated in one respect. From New York to Winnipeg, and from Winnipeg to Edmonton, and probably further, there extends almost continuously a fertile belt many hundred miles in width.

### To Bridge the Gap Between East and West.

Naturally the north half belongs to us and the southern half belongs to the United States; it is equally natural that those who occupy the northern half would seek to trade with those occupying the southern half of this belt. The facilities of communication are pro'ably easier that way than any other. On the west of that belt is what is known as the great American Sahara, and on the east there extends the uninhabited region which lies between Winnipeg and Quebec. Now, Sir, our policy is, if we can bridge that gap to plant settlements of Canadians in the fertile land which I am happy to say the

surveys of the Ontario government have revealed to exist over a very considerable area of this territory. Our policy is to unite for the benefit of older Canada, the eastern and western sections of the Dominion more closely together. If we succeed in the scheme which we now lay before the country, the total cost of which, as it has often been pointed out on the floor of Parliament, will barely exceed the cost of providing interest on a portion of that road for a matter of some seven years, think of what it will mean. Supposing that it is carried on on those lines; supposing that we succeed in adding one hundred thousand settlers, much more, two hundred thousand, and their families to the population of that country, think of what that will mean to Canada.

### A Second Ontario.

That would equal the addition of a second Ontario to the Dominion of Canada, and we know what that would mean. These men, as I have pointed out, soon become large producers and large consumers, and in dealing with settlement in that prairie country it should be remembered 't a very short time indeed is required to enclose capital and experience to produce very large yields of grain and other products. That affects the whole people of Canada. Is that a thing worth taking some risk for? Is it worth your while to add one million people to the population of Canada, \$200,000,000 to the national income, and \$400,000,000 to the general volume of trade, and to bind together the scattered sections, which now divide our country, into a homogeneous whole? Is it worth while to secure for Canada, and particularly for eastern Canada, the business of a country which is as large as France, Germany and Austria all put together—probably as large as all Europe, with the exception of Russia: as large and more fertile, in any event, than any of the countries I have referred to? I have put out of sight the possibilities, which are great, of being able to improve, and develop the section of the country from Quebec to Winnipeg, and I deal only with what we know; and I say that, if we succeed, there is abundant room and reason to believe that we should be able to place in the Northwest a population equal to that which I have stated. (Applause.)

## THE TWO SCHEMES CONTRASTED.

The chief points of contrast between the Grand Trunk Pacific project and the Canadian Pacific project which the Tories launched are these:

1. The Canadian Pacific is from end to end the property of the company which was chartered and subsidized to build it.

1. The Dominion will own one-half of the Grand Trunk Pacific, and will be part proprietor of the other half through a lien held as security for guarantee of interest. Dominion also has authority to grant running powers.

2. The Dominion Government constructed two costly sections of the Canadian Pacific—from Lake Superior to Winnipeg and from Kamloops to the Pacific Ocean—and made a present of these completed portions to the company.

2. The Grand Trunk Pacific from Winnipeg to near the Atlantic Ocean will be built by the Government, and will remain the property of the people of Canada in perpetuity.

3. Parliament granted to the Canadian Pacific a subsidy of \$25,000,000.

3. The only financial aid given to the Grand Trunk Pacific is a guarantee of interest—which will not cost the country anything—to the capitalists who furnish the means of construction west of Winnipeg. On the section east of Winnipeg, which will be built and owned by Government, the country will receive a rental sufficient to pay interest on the sum invested.

4. Parliament gave the Canadian Pacific 25,000,000 acres of land, including the privilege of establishing town sites.

4. Not an acre of land, except for right of way and station facilities, is given to the Grand Trunk Pacific. To enhance this discrimination, the Canadian Pacific lands were made free of taxation for twenty years unless "sold or occupied." This has so far been held to mean twenty years from the actual specific conveyance of the lands to the corporation, not from the date of the agreement—a difference which means many additional millions of dollars to the Canadian Pacific.

5. As far as it was possible to do so the Dominion Parliament gave the Canadian Pacific Company a monopoly of the traffic of the Dominion west of Lake Superior, by prohibit-

5. The Grand Trunk Pacific Company must take its chances in competition with existing trunk lines and with any others that may hereafter be chartered and constructed.

ing the building of other lines, except such as would of necessity become feeders of the Canadian Pacific.

6. Parliament granted to the Canadian Pacific virtually absolute control of transportation charges west of Lake Superior.

7. No attempt was made by Parliament to grant running powers to other companies over the portions of the Canadian Pacific constructed by the Dominion Government.

8. The Canadian Pacific was allowed to import construction material free of duty.

9. When the Canadian Pacific was finished it possessed little more in the older provinces than its main line from Rat Portage to Montreal. A system of feeders had to be laboriously built up.

10. The Canadian Pacific, though built as a national undertaking, was semi-Americanized from the first. Its Soo line to-day carries wheat from Minneapolis to the sea-board for less than the main-line charges from Winnipeg; in other words, treats the farmers of Dakota and Minnesota better than the main line treats those of Manitoba. Further, although St. John, N.B., is the winter port of the Canadian Pacific, its line thither runs for 200 miles through the State of Maine.

6. The absolute control of such charges on the Grand Trunk Pacific is vested in the Dominion. The difference is made clearly apparent by the fact that, so far as its main line is concerned, the Canadian Pacific cannot be brought under the control of the Railway Commission recently created by Parliament, whereas the Grand Trunk Pacific is placed under that control by the terms of its charter.

7. Running powers over the portion of the Grand Trunk Pacific constructed by the Government may be obtained by any other company, subject to the operative control of the Grand Trunk Pacific Company so far as that is necessary to the safety of passengers and property.

8. The Grand Trunk Pacific enjoys no such privilege. As far as possible, its materials must be made or purchased in Canada. Where it imports material that cannot be procured here, it must pay duty.

9. The Grand Trunk Pacific, on the other hand, will commence operations with all the lines and equipment of the Grand Trunk proper behind it in the older provinces, which means that the Eastern manufacturer will at once be placed in direct communication with his customers in the West and ensured lower rates.

10. The Grand Trunk Pacific will traverse Canadian soil from start to finish, will send all unrouted freight to Canadian ports, is under obligation not to discriminate in rates against those ports, and will run too far north to become tied up as the Canadian Pacific is with the rival interests of Minnesota and Dakota.

11. The Canadian Pacific did comparatively little for the older provinces in the way of opening up new territory. Its main line west hugs the Lake Superior shore which is sterile and unfit for settlement.

11. The Grand Trunk Pacific will open a vast back-country between Moncton and Winnipeg, containing over 150,000,000 acres of well timbered land, much of it fit for agriculture, with deposits of mica, copper, nickel and iron, and with water-powers of enormous capacity. It stands to reason that the development of this region must add to the wealth and importance of Ontario, Quebec and New Brunswick. That part of Canada will no longer be a mere fringe. The older provinces have done much for the West; they are now helping the West again and at the same time doing something for themselves.

### ESTIMATE OF THE REAL COST.

If, as shown, Mr. Borden's plan involved enormous cost, what does the Government's policy involve? In the first place the Quebec Bridge must be eliminated because that scheme stands by itself, was approved by both political parties, and while the Grand Trunk Pacific affords an additional reason for the building of the bridge, it is not responsible for it and cannot be charged with it.

The Minister of Finance frankly dealt with the cost of the government road in two ways; the amount likely to be spent on construction and the net cost to the country arising out of that construction. The following facts are condensed from Mr. Fielding's speech in the House of Commons May 26th, 1904. The railway expert of the Department, Mr. Collingwood Schrieber, C.M.G., estimated that the section from Moncton to Quebec would cost \$25,000 a mile, and the section from Quebec to Winnipeg, \$28,000. These figures were for a somewhat better class of road than the Inter-colonial, but in order to allow a liberal margin for a better road, Mr. Fielding added 25 per cent. to Mr. Schrieber's figures, making the estimated cost per mile as follows:—

Moncton to Quebec .....	\$31,250
Quebec to Winnipeg .....	35,000

This would make the cost as follows:

400 miles, Moncton to Quebec .....	\$12,500,000
1,475 miles, Quebec to Winnipeg .....	51,625,000
On this basis the cost of the eastern division would be:—	
Interest during construction capitalized .....	\$ 7,031,975
Capital account, actual outlay .....	64,125,000

Total capital account .....

By the striking out of the item for the Quebec Bridge, which does not belong to the account (although at first it was put in) the changes in the contract made during the session of 1904 did not materially change the figures showing the obligations assumed with respect to the road west of Winnipeg, as given when the original contract was presented to Parliament.

#### West of Winnipeg.

*Prairie Section*—The Government guarantees three-fourths of the cost, not to exceed \$13,000 a mile. That limits the amount for the 1,000 miles of prairie section to \$13,000,000. The Company will pay the interest on this from the beginning, and therefore there will be no burden whatever on the Government.

**Mountain Section, 480 miles**—The Company expect to construct this for \$50,000 a mile, but taking the estimt. of the Opposition, as stated by Mr. Barker, M.P. for Hamilton of \$56,000, the cost would \$26,888,000. On this the Government guarantees three-fourths or \$20,160,000. The state of the money market may require the issue of additional bonds to raise this sum. Add for that, \$1,061,000, making a total issue of bonds to be guaranteed by the Government \$21,221,000. Annual interest on this at three per cent is \$636,631. The Government pays interest on this for seven years (all other interest being paid by the Company). To provide at once for this interest Mr. Fielding stated that we should have to lay aside now \$3,177,794—that is for the seven years.

After the completion of the Eastern Division the road is to be leased to the Company for fifty years at a rental, except for the first seven years, during which the Government meet the interest.

A brief summary of these authoritative figures give this result:—

Total present sum required to cover seven years interest (all other interest being paid by the Company) and cost of Eastern Division, \$10,655,562.

Total present sum required to provide government portion of seven years interest (all other interest being paid by

the Company) on cost of mountain section, Western Division, \$3,177,794. Total present sum required, \$13,833,356.

The surplus in 1903 was \$14,345,000. If therefore, the Government should set aside out of this the sum of \$13,833,000 it would provide for the full payment of the seven years' interest, which is all the obligation that the government are to bear with respect to the whole line from ocean to ocean.

Contrast this with two things, the cost to the country of the C. P. R. (alluded to elsewhere) and with what the promoters of the Grand Trunk Pacific wanted and asked for. They asked for a cash subsidy of \$6,400 a mile from North Bay to the Pacific coast. The distance being 2,492 miles, that meant \$15,948,800. They also asked, in addition, for a land grant of 5,000 acres a mile. This meant 12,460,000 acres, which at a very low estimate of value would be worth \$1 an acre or \$12,380,000. In lands and money they asked for \$55,328,000 for a half railway which would begin in the middle of the country and carry its traffic down to Portland in the United States, while for a net cost of about \$13,000,000 the Laurier Government is giving to the people of Canada a whole transcontinental railway running every mile of it over British territory and feeding its traffic to Canadian ports.

## CHAPTER XV

### GENERAL RAILWAY MATTERS.

#### THE PROGRESSIVE RAILWAY POLICY OF THE GOVERNMENT.

##### IMPROVED RAILWAY LEGISLATION.

###### **Crow's Nest Pass Railway.**

By the granting of a subsidy amounting to \$3,630,000 the Government secured the speedy construction of the Crow's Nest Pass Railway, by which one of the richest mineral sections of the country was opened up and the trade connected therewith diverted from American to Canadian Channels. It also provided a fine market for the agricultural produce of the North West Territories, and since the construction of the road, the dairy and live stock interests of the Alberta District have enjoyed a measure of prosperity never before known.

The Government made it a part of the bargain with the C. P. Ry. that the said company would grant a substantial reduction in freight rates, ingoing and outgoing, to the farmers of the West. It was conservatively estimated that these reductions effected a saving to the farmers of \$750,000, on grain and flour alone in 1893. Spread this reduction over a few years and you will see it would recoup the public for the whole amount of the subsidy.

Further, it was a part of the contract that the C. P. Ry. would turn over to the Government 50,000 acres of coal lands in the neighborhood of the Crow's Nest Pass. These lands formed one-fifth of a grant by the British Columbia Provincial Government to another railway company whose charter had been acquired by the C. P. Ry. The object of the Government in securing these lands was to enable it to control the price of coal to the mining industries of British Columbia and others. It is a provision of the Act that the coal from such lands shall be disposed of at a reasonable price not exceeding \$2 per ton f.o.b. at the mines.

The Government also secured control and supervision of rates over the new road, and can grant running powers over it to other railways.

###### **The Intercolonial Railway.**

The Intercolonial never has been a paying proposition, but in recent years moderate surpluses of revenue over ordinary expenditures have been shown. There are various reasons for its hitherto comparatively poor financial showing, the chief of which is that the location of a large part of the road was governed not so much by commercial as by political and imperial considerations. As most well informed people know, it was projected to constitute a binding link between the Provinces by the sea and the Provinces of Quebec and Ontario, and for military reasons it was constructed as far away as possible from the American boundary. From Moncton to Levis it follows a roundabout and zigzag route, through sparsely settled and not very productive portions of the country. Then, again, it is handicapped along nearly its whole line by water competition.

It is submitted that the capital expenditure recorded on another page was necessary in the interests of the road and in order to cope with the increased traffic, which is to-day more than twice what it was in 1896. It is generally admitted that the railway has under Liberal management been brought up to a high state of efficiency. Indeed it is to-day the equal of any road on the continent for convenience, comfort and despatch. Its value as a public utility has been immensely enhanced, as the Maritime Province people particularly know.

In connection with the expenditure on the Intercolonial Railway, it will be re-

membered that the Conservative party during the last session of Parliament formally and specifically declared the Hon. Mr. Blair to be a great railway authority. He was the Minister directly responsible for the expenditure above noted, and in view of the verdict of the Conservatives as to his capacity, it is very natural to assume they will be prepared now to admit that in making said expenditures on the Intercolonial, he acted with due regard to all the circumstances.

#### Further Improvements on the Inter-colonial.

The estimates for 1904-5 contain items aggregating \$1,250,000 for new rolling stock and other improvements on the Intercolonial System, both on the main line and in Prince Edward Island.

#### Railway Statistics.

Railway statistics constitute a good commercial barometer. This is evidenced by the fact that the tonnage carried by all the railways of Canada increased in a much greater degree during the seven years subsequent to 1895 than they did during the eighteen years prior thereto. For example:

##### Tonnage Carried by Railways.

1896.....	24,266,825 tons
1878.....	7,883,472 tons

Increase during 18 years  
under Conservatives... 16,383,353 tons

##### Increase Under Liberal Rule.

1903.....	47,373,417 tons
1896.....	24,266,825 tons

Increase in 7 years under  
Liberals..... 23,106,592 tons

#### Prosperity of Canadian Railways.

[The following (headings and reading matter) is taken from the issue of the Montreal Gazette, September 13, 1904. It is taken from column one page 5 of

of the issue of the paper of that date. The Gazette is the leading conservative morning paper in Canada.]

#### NEWS OF RAILROADS — CANADIAN COMPANIES ENJOYING PROSPERITY IN CONTRAST TO CONDITIONS ACROSS THE BORDER—IMPROVEMENTS ON C. T. R.

General business conditions of Canadian and United States railways, during the past eight or ten months, show striking contrasts. Some of the largest railway systems in Uncle Sam's territory have been making sweeping retrenchments. Upwards of 100,000 men have been deprived of employment so that the expense accounts would not loom up too large beside the reduced earnings. Construction of new lines has been so limited as to cause considerable comment, while purchases of rolling stock have only been in the small figures.

On this side of the border the situation has an entirely different phase. The C. P. R. has been making extensive improvements over its entire system and several hundreds of miles of road is under construction, including a new line from North Bay to Toronto. It has also leased a small road recently, which will give it access into the regions north of Peterborough.

The promoters of the Canadian Northern have been busy extending their steel network and have now under contemplation a line from Winnipeg to Edmonton.

While exceptional activity has been observed on nearly all the roads referred to, the Grand Trunk has expended large sums in improving the system by laying double tracks, reducing grades, straightening out curves, lessening mileage, building stations, freight sheds and yards, engine houses and bettering terminal facilities. This work has been going on quietly for the past two or three years. A new freight house, offices and freight yards have been constructed at Toronto. Hamilton has also a new freight house. The terminal im-

provements at Montreal were completed some time ago. At Fort Erie, a new engine house has been erected, with a capacity of twenty-five engines. Allandale has been given a round house similar in construction to that at Fort Erie. At Windmill Point an elevator of 1,000,000 bushels capacity is being constructed.

Owing to the increased demands on the work turned out at Stratford shops, Ont., the Grand Trunk have found it necessary to increase the present plant considerably.

The erecting shop now in use is to be extended into the present boiler shop giving twelve additional pits for engine repairs. Another hoist and turn-table will also be included in this extension.

A new boiler shop 169 feet long and 120 feet wide is to be erected. It will be equipped with two electric travelling cranes, one of 30 tons, and the other of 10 tons capacity. Electricity will be used in operating the machinery.

A new tender shop, 326 feet long, and 102 feet wide, will also be built.

Besides these a new brass foundry, 70 feet long and 41 feet wide, will be added to the plant, and an addition of 50 feet is to be made on the east end of the present blacksmith shop. An extension of 70 feet is to be given the old tender shop on the east end, and an extension of 60 feet on the west end.

The buildings to be erected and the additions made to the old ones give a total of 74,654 square feet additional floor space. A large amount of new and up-to-date machinery is to be installed in the different shops for the purpose of economically repairing with despatch the heavy power used on the middle division."

#### Railway Land Grants.

That the Conservative party is the champion of the corporations and that the Liberal party is the champion of the people is shown by their respective attitudes upon many subjects and on none more strongly than upon the subject of land.

The Conservatives inaugurated and maintained a policy of subsidising railways by land grants. The Liberal party

promptly gave that policy its death blow when they came into power. The Conservative policy was always characterized by a desire to give the railway corporations the choicest lands of our great West. The policy of the Liberal party has always been and is to-day to keep the land for the people.

#### The Land Grant Policy of the Conservatives.

The people of the West do not need to be told of the incalculable injury they have suffered through the reckless prodigality of the Conservative Government in granting huge tracts of land to railways and tying up even larger tracts from which the railways might make selections. This unfortunate policy tied up the lands that were in the best locations with respect to transportation etc., drove the settlers to far away points where their isolation from neighbors, schools and advantages of civilization, disgusted many of them. It and the Conservative protective tariff resulted in a huge exodus to the United States. It tied up lands that would have otherwise been settled upon and become productive. It prevented municipal improvements through the great amount of land it caused to be non-taxpaying and trebled the burdens of local taxation upon those settlers who remained in the country. In many ways it stifled the progress of the country and crushed down the unfortunate settler. To-day even the Tories admit that land grants are a colossal mistake. They know the great evils it created in the West, evils that even yet interfere with the progress that should belong to the prairie country. And to fix the blame for the iniquity one has but to look at the following:

Total area of land voted to Railways by Conservative Governments—56,087,072 acres.

Total area of land voted to railways by Liberal Governments—none.

#### How Liberals Have Promoted Railway Building.

The Conservatives voted both cash and land grants to aid railway construction. The Liberals upon coming into power abolished the system of land grants. But recognizing that public opinion required that in some cases pub-

lic aid of some kind should be given to promote railway construction, they adopted a policy of straight cash subsidies. Thus, in the first place, the public got a clear and exact idea of the amount of aid a railway was getting. In the case of land grants there was nothing certain as to the amount. If the railways held on to their land long enough it was clear that they could hardly realize enough from it to entirely recoup themselves. Land grants in many cases constituted a gift of a railway to certain promoters. But the Liberal Government went even further than the abolition of land grants and the restricting of aid to the form of cash grants. They put provisions into the cash subsidies they gave which virtually made the grants loans to the railways concerned.

The provisions were as follows:

Journals House of Commons, Canada, Vol. XXXIV., 1899, page 514, clause 7)  
—Resolved—That every company receiving a subsidy, and under this Act its successors or assigns, shall each year furnish to the Government of Canada transportation for men, supplies, material and mails over the portion of its line in respect of which it may have received such subsidy, and, whenever required, shall

furnish mail cars, properly equipped, for such mail service, and such transportation and service shall be performed at such rates as may be agreed upon between the Minister of the Department of the Government for which such service is being rendered and the company performing the same, and, in case of disagreement, then at such rates as may be approved by the Governor in Council, and in or towards payment for such charges the Government of Canada shall be credited by the company with a sum equal to three per centum per annum on the amount of subsidy received by the company under this Act.

Subsidies now are really perpetual loans, bearing interest at 3 per cent. And as the Government has been able to borrow money at 2.75 per cent., the difference will pay the cost of management.

Had this policy been adopted in the early history of the construction of railways by the Conservative Government, the present income from work done by railways would exceed \$1,500,000. In the year 1901-02 Canada paid out to railways for the transportation of the mails alone \$1,410,764. All this money would have been saved had the Conservatives followed the Liberal policy with respect to subsidies.

## CHAPTER XV.

### THE NEW RAILWAY ACT AND COMMISSION.

#### TWO ADVANCED STEPS.

#### THE WORK OF A PROGRESSIVE GOVERNMENT.

##### **The New Railway Act.**

The new Railway Act, passed in the session of 1903, is universally admitted to be one of the best legislative enactments that has been passed by the Parliament of Canada in the general interest of the people, and even strenuous opponents of the Government have felt constrained to accord them a measure of credit for it. It undoubtedly fills many a long felt want, and is an advanced step in railway legislation, the results of which cannot be otherwise than beneficial. It gives the people greater control over the railways, remedies substantial and vexing grievances of the farmers in respect of fences, gates, cattle guards and fires, and gives a strong assurance of fairer and more uniform treatment to shippers. It is expected that one of the results will be the abolition of discrimination in freight rates, which business men have so strongly protested against. The Bill was framed and introduced by the Government. During its progress through the House some amendments offered by both sides were accepted and adopted but in its broad and main features it was not substantially changed by Parliament.

##### **The New Railway Commission.**

The chief and most outstanding change effected by the Act is the substitution of a Board of Railway Commissioners for the Railway Committee of the Privy Council. For many years it was generally felt by the shipping and general public and municipal authorities, as well as by the railways, that the Railway Committee of the Privy Council was, for various reasons, not giving satisfaction as a

regulative body. In the first place, the members of the Committee, being Cabinet ministers, were always open to the charge of deciding cases according to the political aspect, and they were not possessed of the necessary technical training for the work. The fact that the members of the tribunal were changed with the changes in governing parties, and also occasionally through government exigency, was also considered to be a weakness.

Another and serious complaint was that the Committee held its meetings in Ottawa only, and complainants were, therefore, put to great expense in prosecuting their appeals. Moreover, the smaller complaints could not be effectively dealt with under that practice. Further, under the procedure of the Committee formal applications had to be made before matters could be taken up for determination. This rule in many cases operated disadvantageously to the public. Another source of grievance was that the powers of the tribunal were indefinite on certain vital points.

These defects have been cured by the new Act.

##### **The Powers of the Railway Commission.**

The powers of the Railway Commission are declared by the Act to be administrative only, and the tenure of office of the members thereof has been fixed at ten years, subject to renewal.

The members are required to be possessed of the best technical training possible.

The Committee must hold sessions anywhere in Canada whenever circumstances require. This will be a great saving of expense to complainants, and will ensure

the high as well as the low, the poor equally with the rich, a careful hearing.

They must hear and investigate any complaint, and act of their own motion when necessary.

#### Chief Powers of the Commission.

The following is a summary of the chief powers of the Commission, as defined in the Act:—

1. Absolute regulative powers in regard to rates, preferences, discriminations, rebates and secret rates.
2. Supervisory powers in regard to through rates and through routes.
3. Power to compel equal, proper and reasonable facilities for shipment to all persons and companies.
4. To regulate traffic agreements.
5. To regulate and supervise highway and railway crossings.
6. To investigate into serious accidents, and the causes of accidents.
7. To exercise a general supervision and control over safety appliances, and all matters touching the convenience and safety of the public and employes of the railway, the safety of property, and the operation of trains and the railway generally.
8. To regulate and supervise the general construction of railways—the location of the line and stations—the construction and maintenance of railway bridges, tunnels, etc., drainage, fences, gates and cattle guards, farm crossings, etc.
9. To supervise the opening and closing of railways in the interest of the public safety.
10. To see that the various railways obey the provisions of the Acts, general and special, under which they operate.

#### Important Changes in Railway Law.

The changes effected by the new Act are briefly as follows:—

1. Branch Lines. The Commission has power to compel a railway to build a branch line to any industry within six miles of the railway on the application of the owner, and upon terms.

2. Highway Crossings. In cities or towns before a street railway or tramway can cross or run along any highway the consent of the municipality must first be obtained.

3. Drainage across Railways. The laws of the Province may be applied and the railway is made responsible for the expense of carrying any necessary drainage work across the railway.

4. Farm Crossings. The Commission has power to order the company to construct a farm crossing for a land owner.

5. Fences, Gates and Cattle-guards, — must be suitable and sufficient to keep animals from getting on the railway.

6. The specifications of all bridges and like structures, of a certain length, must be approved of by the Board before construction.

7. The Railway Commission has power to order the railway to provide proper facilities at its stations for traffic and to say what those facilities shall be.

8. The Commission is given powers as to the accommodation, running and operation of trains and as to safety appliances to be used on trains for the protection of the public, the employees and property.

9. Fires. The railway is made responsible for all fires caused from sparks of its engines, the liability being limited, however, to \$5,000 on any one fire, except when such fire is caused by its negligence.

10. Tolls. Filing and publication of all tariffs is required and procedure laid down. The Commission may disallow any tariff and may fix the tolls to be charged, and has absolute control over freight classifications.

#### Expectations from the Act and the Commission.

The general results expected to be brought about by the Commission and the changes in the law are :—

1. Publicity of Railway rates.
2. Lessening of open rate wars.
3. The equalization of rates for long and short hauls.
4. The removal of substantial and vexing grievances of the farming community.
5. The beneficial exercise of controlling powers and thorough supervision of railway construction and operation.
6. Better education of the public in railway and transportation matters.
7. The smaller shippers are expected to be benefitted.

8. More uniformity in the basis of rate making.
9. The general use on railways of efficient brakes, automatic couplers, and other safety appliances.
10. Uniformity in the construction of rolling stock and in the rules for operating trains.
11. A decrease in the number of serious accidents.

If this measure stood alone it would stamp the Government as a business one, thoroughly alive to the needs of the people. The work connected with the preparation of the Act was very heavy and arduous, and its passage through the House of Commons was one of the chief reasons for the extraordinary length of the last session of Parliament. The Government had made up their minds that the Bill would be a beneficial one to the people generally, and particularly to

the business public, and though the pressure of parliamentary business suggested the temptation to postpone it for another session, they persevered and ultimately placed it on the statute books.

It should be mentioned that the Act does not come into operation until a proclamation is issued by the Governor-General-in-Council.

#### Discrimination in Freight Rates.

The Government having, after careful consideration, come to the conclusion that certain Canadian Railway Companies were discriminating in their rates in favor of the Standard Oil Company, and to the detriment of Canadian oil men, at once put an end to the discrimination, and fixed a schedule of rates to apply to all. In this way the rights of the people were vindicated, and the commerce of the country was assisted.

## CHAPTER XVII

### FACTS FOR FARMERS.

#### THE RECORD OF THE DEPARTMENT OF AGRICULTURE.

##### The Liberal Record Up to 1900.

The record of the Laurier Government before the farmers of Canada, as shown by the administration of the Department of Agriculture, was completely endorsed in the elections of 1900.

The main items of that administration then before the public were:

The establishment of a complete chain of cold storage transportation from the farm in Canada to the consumer in Great Britain;

The removal of the cattle quarantine restrictions between the United States and Canada;

The enactment of the San José Scale Act, for the protection of our orchards against that insidious pest;

The inauguration of the distribution of agricultural information to the farmers;

The appointment of a practical agriculturist to manage the tillage and live stock at the Central Experimental Farm;

The appointment of a Live Stock Commissioner to deal with the varied interests of live stock production and management in Canada.

THE SYSTEM OF COLD STORAGE TRANSPORTATION provided refrigerator chambers at the creameries; refrigerator car service to carry perishable products to the seaboard; the establishment of cold storage warehouses at the chief points of export; the provision of the ocean-going vessels of efficient mechanical cold storage chambers.

By reason of these improvements, Canadian butter and other perishable products could be laid down in the British market in good condition; the result was an immediate advance in the position of these Canadian products in the English market, where before Danish, Australian and New Zealand butter stood considerably higher than Canadian butter; Canadian butter advanced to the second place, running the Danish pretty hard in the race.

Tender fruits were shipped and successfully sold on the English market, which the Canadian producer never had been able before to do.

The Canadian farmer, by this work of the Laurier Government, was given the same advantages as his competitors in other lands. Before 1896 Australia, New Zealand and the United States had first-class cold storage facilities for landing their perishable products in England. The Tory Government had failed to provide these for the Canadian farmer, and it was left to the present Liberal Government to inaugurate this service.

##### Abolished the Quarantine.

The quarantine of ninety days upon all cattle entering the United States from Canada before 1897 practically prohibited any export to that country. The Tories had deplored this, but said nothing could be done.

Hon. Sydney Fisher, the Minister of Agriculture, took a trip to Washington, and in a week swept away this quarantine obstruction. The immediate result was an increase in the export of Canadian cattle to the United States. In the fiscal year ending June 30th, 1896, we exported to them 1,645 head, valued at \$8,870. For the next six months, to December 31st, the export was 577 head, at \$9,717. The abolition of the quarantine took effect one month afterwards, on February 1st. For the six months ending June 30th, 1897, after the abolition had been effective for five months, we exported 35,421 head, valued at \$499,421. The fiscal year, ended June 1898, our export was 87,905 head, valued at \$1,239,448, the price in the latter year being \$14 per head against \$5.39 in 1896, an increase in price of \$8.61 per head. The exports, during the seven years previous to the abolition, 1890—1896, amounted to \$195,814; during the following seven

years, ending June 30th, 1903, they totalled \$6,419,385.

In the distribution of agricultural knowledge, the first steps were taken and the foundations laid on which, in the last four years, immense strides have been made which will be detailed in succeeding pages.

### Cool Curing of Cheese.

During the last few years much reckless criticism of the Minister of Agriculture has been indulged in. An abundant opportunity for formal indictment was afforded during the last session of Parliament, but only two attacks were made; one by Mr. Taylor, the Tory member for Leeds and Grenville, the chief whip of the opposition, on July the 27th; the other by Mr. E. D. Smith, M. P., for Wentworth, on July 29th.

It may be fairly inferred that, with the exception of the points brought out in these attacks, the Opposition have no complaints to make to the farmers of Canada against the Laurier Government.

Mr. Taylor's criticism was based on the expenditure for the establishment of illustration cool curing stations for cheese making.

Canadian cheese has always been sold on the English market at from 1 to 3 cents a pound less than the best Old Country cheddar. The experts of the Agricultural Department have been for years studying the reasons for this, and were convinced that the curing of Canadian cheese in varying and high temperature was one of the chief causes. Small experiments were carried on for several years, which proved conclusively that cheese cured at a temperature of from 60 to 65 degrees was better in quality, and shrank less, than cheese cured in the ordinary ill-constructed curing-rooms of the average factory.

To show this on a large scale, central curing-rooms, to each of which the cheese of from twelve to fifteen factories could be brought to be cured under the best conditions, were established. This required a considerable outlay of money, but the results have well repaid the outlay.

This season a price for the Government cool-cured cheese has been established at several of the cheese boards in

the neighborhood of these curing-rooms; and this cheese has been sold at from one-eighth to one-quarter of a cent a pound, in the open market, higher than the ruling price for other finished cheese. Last year 234,000,000 pounds of cheese were shipped to the English market. One-eighth of a cent per pound on this would make \$292,500, or nearly \$300,000. If Canadian cheese makers had applied the illustrations at these Government stations, at least this amount of \$300,000 would have been added to the farmers' receipts. So successful has the illustration been that a considerable number of private factories have improved their curing-rooms, and demands have come to the Department from all over the country for the establishment of similar central curing-rooms.

The only question to be still proved is whether central curing-rooms for a number of factories, or the improvement of the curing-rooms at individual factories, is the more practical method of attaining the end desired.

### Other Improvements in Cheese-making.

Some minor experiments, including the paraffining of cheese, were tried at the central curing-rooms. The Department of Agriculture is continually experimenting in connection with all its work. Mr. Taylor's statement was that paraffining had been a great hurt and a loss to the factory men whose cheese had been so treated. As a matter of fact, all the cheese sold this season at the above mentioned price was paraffined, and instead of a loss, the factory men whose cheese was thus treated made a gain of from one-eighth to three-sixteenths of a cent a pound on their cheese.

Some English buyers have been suspicious of this new method of treating the cheese, but many others have praised it and eagerly take all the paraffined cheese they can get.

An additional expenditure has been made on behalf of the cheese industry in the arrangement of cool ventilated chambers in the ships for the carriage of cheese to Great Britain; and specially constructed ventilated cars for the transport of the cheese on the Canadian railways. These have been largely availed of and have proven a great improvement

in the carriage of this valuable product. This improvement has been brought about in the course of the last two years by the action of the Department of Agriculture.

So much for the criticism in regard to the work done for the benefit of the cheese industry.

The Canadian farmers exported last year \$24,184,566 worth of cheese. The Minister of Agriculture believes that the expenditure of a few thousand dollars a year to discover any improvements in either the manufacture or the transportation of this product is well spent in the interests of the dairymen of Canada. Do these object? Will they endorse the carping and unfounded statements of one of the leading Conservative members of the House?

#### Steamship Cold Storage.

On July 29th last, Mr. E. D. Smith, M. P., moved a vote of censure on the Government because the cold storage accommodation in the ships was not what he, as a fruit exporter, thought it ought to be. He based his remarks on the records of the thermographs placed in the cold storage chambers of the ships leaving Montreal, in the season of 1903.

He had free access to these records early in the session, and apparently studied them for several months. He had abundant opportunity at an earlier date of bringing this question forward. He deliberately chose the week during which he knew the Minister of Agriculture to be absent from the House attending the Dominion Exhibition in Winnipeg. He then went into elaborate details, quoting from these records to prove that the temperature in which butter was carried from Canada to England was too high.

The documents from which he took his proof were the thermograph records, showing the temperature in certain chambers in certain named vessels sailing at certain dates. On the face of the thermograph record, along with the tracing of the temperature during the whole voyage, is stenciled the number of the chamber and the character the products stored in it. In examining these records, nobody could see the tracing of the temperature without at the same time clearly seeing the statement of the pro-

ducts. It is hardly conceivable, but it is a fact, that Mr. Smith quoted as the temperatures of chambers in which butter was stored a number of records of chambers in which fruit was stored. He denounced the cold storage system because the temperature in these chambers ranged from 34 to 50 degrees, saying that it ought to be 20 or lower.

The temperatures quoted, ranging from 34 to 50, are the proper temperatures for fruit carriage. The fruit would have been destroyed in those chambers had the temperature been at the figure Mr. Smith said it ought to have been.

The burden of his criticism was based on these mis-quotations and misstatements of the facts. In some of these cases the temperature varied somewhat, but in most of them the temperature was within a few degrees of what the products carried in the chamber required.

In his speech, he stated over and over again that the butter was put into these chambers at such and such a temperature. There is no record of the temperature of the butter when it was put into the chamber; the record is only the record of the temperature of the chamber itself; and in ninety-nine cases out of one hundred that temperature, at the time the butter is loaded into it when the chamber is open to the air, is much higher than the butter put into it coming from cold storage warehouses. But when the chamber is filled and closed, the mechanical cold storage brings the temperature down at once, and in almost all cases the record shows that where butter was stored the temperature was an even 30 to 34 degrees for the whole voyage until opened to the warmer air on landing in England.

Were Mr. Smith familiar with the handling of butter, he would know that, while it is well that butter intended to be kept for months should be in a chamber as low as 20 degrees—that for carriage to England, to be put before the consumer in a few days after arrival in England, 30 to 35 is quite cold enough for the proper and safe carriage of our butter.

To take up some detail of Mr. Smith's criticism, as specimens of his inaccuracy and mis-statement: On pages 8,168, 6,970—1 of "Hansard" of last session are amongst others, these statements:

On the 'Monteagle,' which sailed May 20th, 1903, butter went in at a temperature of 40 degrees and never reached a point lower than 34 degrees.

Quite true; on the face of the record was the statement that cheese was carried in the same compartment, and that the engineer was instructed to keep this chamber at a temperature higher than 35 degrees.

Again, after quoting several records which were quite good, Mr. Smith says:

On the 'Hibernian,' butter went in at a temperature nearly 70 degrees, but the refrigerator chambers were never able to get down the temperature lower than 42 degrees, etc., and winds up, I would not be surprised if all the butter in that steamer was entirely lost.

Perhaps Mr. Smith will be more surprised when he is reminded that on the face of this record—what he must have seen—it was apples and not butter in that chamber.

Again, Mr. Smith: On the 'Iona,' the 5th of September from Montreal, the butter went in at a temperature of 66 degrees, but never got to a point at any time during the journey lower than 44 degrees; in other words, it took the whole of the journey across the ocean in cold storage chambers to bring the temperature down to 44 degrees, whereas a good cold storage chamber would bring down the temperature in 18 hours, or at most 72 hours.

If what Mr. Smith demanded had been done, the fruit—not butter—which was stored in this chamber would have been ruined.

He quotes again: The 'Pretorian,' sailing 15th August; the 'Canada,' sailing the 22nd August; the 'Pretorian,' on the 19th September; the 'Laconia,' the 3rd September; (where he remarks 'That butter must have been almost ruined; it might as well have gone across in ordinary storage, thus saving ten shillings a ton'); and the 'Marina.'

In all of which cases he quotes temperatures of chambers loaded with fruit, and complains that they were too hot for butter. There was another record of a butter chamber in each of these ships in which the temperature never went above 34 degrees, and in which the butter was perfectly safely carried and successfully delivered in good condition in the English market.

Summing up, he asks, "Who is to blame? The Government are entirely to blame." For what? For Mr. Smith's mis-statements? For arrangements to

carry fruit at a temperature at which it would not be frozen; or for arranging to carry butter in a temperature in which it would not be heated? The Government is not to blame for certain shipments of fruit sent by Mr. E. D. Smith himself in the same compartment with other fruit, which arrived in perfect condition and was sold at the highest market price, while Mr. Smith's shipments were pronounced wasty, and sold at a loss.

#### Cooled Air Also.

Mr. John Torrance, of the Dominion Line, received from one of the largest apple exporters a letter, of which the following is an extract:

In all cases when you have my goods coming forward, unless you have directions to the contrary, put them in cool air or cooled air, in preference to ordinary storage. This way it is never liable to damage.

Mr. John Torrance, on August 20th last, wrote Mr. Ruddick, Chief of the Dry Division, a letter quite as emphatic:

On the S.S. 'Kingsgate' from Montreal on 20th July we carried 1,000 boxes of cheese, from two shippers, in cool air chambers, and we wrote to our representatives, asking them to report to us the condition of the cheese on arrival. The following is an extract from a letter received to-day, dated Liverpool, Aug. 12th:

'We attended discharge of cheese stowed in cool-air chamber of this vessel, and we are pleased to report that it landed in excellent condition. As suggested by you, we got several of the principal importers to examine the shipment, and they all expressed themselves very pleased with the condition, and promised to write out to their shippers recommending the cool-air stowage.'

It may be remarked here that there is no finality to improvement, and that as conditions are found to require changes the Government are ready and eager to experiment and bring about such improvements as are found necessary and efficient. The original cold storage arrangements serve their purpose; the later improved ventilation and cooled air serve their purpose equally well. When other difficulties are discovered the Department will tackle them and overcome them also.

#### The Experimental Farm.

On the Central Experimental Farm the appointment of the Agriculturist, Mr. J. H. Grisdale, was followed by the setting

apart of 200 acres to be worked as a dairy farm. In 1899, the first year of this work, 55 cattle were kept, it being a good year for all crops; last year 96 cattle were fed, although the season was generally an unfavorable one.

This result is due to systematic rotation and thorough cultivation, and is an evidence of what improvement has been made.

A large number of thoroughbred stock <sup>b. on purchased and placed on the</sup> farm, and to-day visiting farmers can find typical specimens of the highest class of dairy Shorthorns, Guernseys, Ayrshires and French Canadian Cattle; as well as Leicester and Shropshire sheep, and Yorkshire, Berkshire and Tamworth bacon hogs. The old work horses have been replaced by first-class show teams, and the fields are a model of good tillage, clean culture and heavy crops.

A specimen of opposition criticism was the complaint of Sam Hughes, M. P., on the floor of the House, that there was a wheat field on the farm which was foul with oats and barley and rye. The Honourable Member knew so little of farming that he was not able to recognize a field of mixed grain, purposely sown for experiment as to the product of various mixtures.

#### The Live Stock Division.

The work of Mr. F. W. Hodson, as Live Stock Commissioner, has developed in the last four years to such an extent that this year an item of \$34,000 is devoted to it.

This is an entirely new branch of the Department.

The importance of the live stock interests is illustrated by the following census valuation of the live stock in Canada for the year 1900.

Milch cows .....	\$ 69,237,970
Other horned cattle .....	54,197,341
Horses .....	118,279,419
Sheep .....	10,490,594
Swine .....	16,445,702
 Making, exclusive of poultry .....	\$268,651,026
Animal products, except eggs.....	144,066,921
 Total animals and products .....	\$ 412,717,947

There was no Dominion organization of this work before. We now have an organized live stock association for the

Dominion, and local associations in all the provinces. The live stock men of the different sections are brought into close touch. And—by means of auction sales organized under this Department, by means of the expansion and elaboration of the Guelph Fat Stock Show, the establishment of the Maritime Provinces Fat Stock Show at Amherst, the establishment of the Eastern Ontario and Quebec Live Stock Show at Ottawa, the establishment of a show at Calgary, and several minor gatherings—there has been developed a complete system of inter-provincial live stock trade.

There has been inaugurated and perfected a system of educational and illustrative work at the different fat stock and other exhibitions.

There has been an immense increase in the Farmers' Institute work, the Dominion Department supplying trained and expert lecturers to all the provinces. The local agricultural fairs have been supplied with expert judges, who not only have awarded the prizes but explained the differences between the competing animals and delivered lectures on the types which ought to be produced.

The stimulus to inter-provincial trade in live stock was very necessary. Before this work of the Department began, our Eastern breeders were sending their stockers to the United States to be finished, and the best of the profit from them was reaped in the foreign country.

#### Cattle Trade with Britain and the United States.

In 1896 the average price of Canadian cattle sent to the United States was \$5.39; in 1900 it was \$16, but in 1903 it was \$28. The numbers increased from 1,645 in 1896, to 86,989 in 1900, but decreased to 10,432 in 1903. This decrease was due to the demand on the part of Canadian feeders for stockers, and to-day these animals are finished largely on our own ranges and shipped in the best condition to England.

The result is that our export trade to Great Britain has increased from \$6,816,361 in 1896 to \$7,579,080 in 1900, the year the Live Stock Commissioner was appointed, and to \$10,842,438 in 1903. This satisfactory showing is largely due to the organization of the live stock in-

terests aided by the Department and to the distribution of valuable information to those engaged in the business.

#### The Veterinary Branch.

Closely allied to this care of the live stock interests is the work of the Veterinary Branch of the Department. Under the old regime this branch was in charge of an officer who had private business and gave only a portion of his time to the people's service. He did not even reside at Ottawa, but came there when called for by the Minister or when an emergency arose.

The Hon. Mr. Fisher appreciated that the work of caring for the health of Canadian live stock and of guarding against the introduction of disease from abroad, through the animal quarantine service, deserved the full time and attention of the most skilful talent available. Dr. McEachran, the former chief veterinary officer, was not willing to give his whole time to this work; the services of Dr. J. G. Rutherford were secured, and he was appointed to take charge of this branch.

With this change a more complete and thorough supervision of the health of live stock in Canada has been inaugurated.

A thoroughly equipped bacteriological laboratory has been established, and a trained bacteriologist added to the staff, devoted entirely to the work of this branch. A considerable staff of permanent Government officers has been appointed, who perform the work formerly entrusted to local veterinaries, who were engaged from time to time as emergency arose. The result has been a much more effective and closer supervision of contagious disease, and a more careful and thorough investigation into the health of our flocks and herds.

Canadian live stock has been noted for its health and freedom from epidemics, but as the industry is increasing and the trade expanding, care and attention are more and more required. It may safely be said that, to-day, a most thorough and complete organization for this purpose is established.

#### The Fruit Marks Act.

In 1901, the Fruit Marks Act was introduced and made law.

For some years there had been complaint of the bad packing and marking of Canadian fruit exported, especially apples; the result had been very general losses to the Canadian fruit grower and handler, and a very bad reputation for Canadian fruit in the English market.

This Act requires the marking of all closed packages with the name of the packer and the grade of the fruit, and also requires that the whole package should be uniform in quality.

The Act has now been in force for three years, each year more stringently. The result has been a marked improvement in the reputation of Canadian fruit in the Old Country.

It also applies to the local markets, and has been of great value to the home consumer.

So favorably has the Act been commented upon, that Mr. Boyle, the American Consul at Liverpool, England, on October 6th, 1903 reported to the Department of Commerce, at Washington:

On the whole, the condition and quality of the fruit from the United States is satisfactory, but there were instances where the packing was very bad—in fact, some in the trade describe it as dishonest packing, a few large apples being put on the top and at the bottom of each barrel, and in the centre of the barrel all sorts of rubbishy apples were placed. If packers will be more particular in grading and packing, greater confidence will exist here with buyers, and the result will be better prices. Great satisfaction is expressed at the result of the action taken by the Canadian Government to prevent fraudulent packing, for by it irresponsible shippers are prevented from operating.

The following, which appeared in "The Fruit Grower" of February 11th, published in London, England, confirms the opinion of Mr. Boyle:

The United States Consul, in Edinburgh, records the fact that Canadian apple imports are gaining a very strong position in the Scotch markets,—in some cases vice the United States supplies. Mr. Fleming states that the system of inspection adopted in Canada, and as subsequently renewed at the British ports, has served as a guarantee to the buyers of Canadian fruit, and has in this way proved useful both to seller and purchaser.

A bill was introduced in the Senate of the State of New York, on February 10th last, at the suggestion of the Buffalo Produce Exchange, entitled "An Act to Amend the Domestic Commerce Law

Relative to the Branding and Sale of Closed Packages of Fruit." The "Fruitman's Guide," discussing the bill, finds some fault with its wording, and goes on to say, "Canada's law is a success because it is a national law."

In the "Montreal Gazette's" report of the "Export Trade from the Port of Montreal, Season 1902," the following statement appears :

A special feature in the trade this year was the improvement in the packing and the marking of the packages. Over-facing was practically absent, although in the matter of grading there is something yet to be desired. For the first time in the history of the apple trade the Canadian ~~xxx~~, or No. 1 brand has been fairly uniform, and sales in the orchards of this brand will undoubtedly be a feature of the trade in the future.

*"The Fruit Marks Act is certainly responsible for the improvement in the packing, as well as in the grading."*

As last year the Canadian export of apples reached the figure of 1,598,614 barrels, valued at \$4,590,793, the importance of such an Act, and its influence on the trade can be understood.

#### The Seed Grain Branch.

For the last two sessions of Parliament the Hon. Mr. Fisher has discussed the enactment of a law to control the trade in agricultural seeds, and has introduced a bill for that purpose, but the obstructive and factious opposition of the Conservative members has prevented its becoming law.

Careful investigation, under the supervision of Mr. Clarke, Chief of the Seed Division of the Department, showed that there was a very considerable amount of foul and imperfect seed palmed off on our farmers, while there was no possibility of the individual purchaser knowing what he was getting.

This seemed a legitimate ground for legislative interference. The difficulties of working out a law which would fairly protect the farmer and not unduly interfere with legitimate trade were great; but, instead of aid and assistance being given, every obstacle and objection that could be possibly dreamed of was brought forward, and the Minister was not able to pass the law without resorting to a brute-force majority vote.

The investigation and the discussions which have been raised by the officers of the Department in agricultural meetings of all kinds have, however, served the purpose of stimulating observation and inquiry and of improving the existing business.

It is still the determination of the Minister to persevere until a law adequate to the protection of the farmers shall be passed.

In this connection a notable work has been undertaken to form Seed Growers Associations, through which it is hoped that improved seeds may be grown and distributed amongst the farmers of the country. Experimental work has shown that a decided increase in production can be brought about by improvement in the selection of seed, and this great help to the agriculture of the country is now well under way.

#### The Poultry Industry.

The demand for information about and the interest excited in the raising of poultry, has led to the appointment of Mr. Victor Fortier, as Assistant to the Poultry Manager of the Experimental Farm, and consequently to an increased number of lectures given out from the Experimental Farm on this subject.

The Fattening Stations, under the Poultry Division of the Commissioner's Branch, have been increased in numbers, and the whole has been carried a stage further, in that now three of the older stations have been equipped for breeding as well as raising and fattening the chicks.

In this breeding work a utility type of a table fowl has been carefully selected, and it has been proved that the chicks thus bred and raised at the station have fattened more profitably than those either raised from purchased eggs, or purchased at three months' old for fattening.

So popular has this breeding of the utility type of bird proved that the managers have been forced to sell most of their chicks to Canadian farmers for the improvement of their birds, instead of fattening them for the market.

Another remarkable development is that the home market absorbs practically all the fattened poultry. The dwellers in

our Canadian cities, having tasted the properly fattened poultry supplied from the Government fattening stations, have demanded more and more, until now the Government stations, and very many private individuals who have learned how to do this work from the illustrations at the Government stations, are not able to fill the local demand. Such fattened poultry now commands in the large Canadian cities as high as 12, 13 and 14 cents a pound, while formerly the Canadian farmer was obliged to be content with 5, 6 or 7 cents a pound for his barn-yard birds.

#### Conservative Testimony.

As an instance of the influence which the Government illustration stations have on private enterprise, Mr. A. A. Wright, M. P., for Renfrew, in the House of Commons during last session, read an extract from the Renfrew "Mercury," adding that it was written by Mr. Muirhead, a leading Conservative, and President of the Farmers' Institute in Renfrew:

An Admaston farmer resolved to make a test—to see if in farm practice there was really any profit in fattening chickens on the plan followed at the Government's experimental station here a short time ago. So he took 30 ordinary chickens—not at all large ones—and fed them on oats and barley, mixed with low grade flour, for five weeks, and then sent 24 of them off to a Montreal commission merchant whose name was one of several which had been furnished him by Mr. F. C. Hare, the Government's demonstrator. He received answer that the 24 fowl had weighed 158 pounds, and remittance was made for them at the rate of 11 (eleven) cents a pound in Montreal. The expressage cost the Admaston farmer 80 cents per 100 pounds, so that he received \$10.20 per 100 pounds net for his fowl. The fowl were kept confined in coops, were fed twice a day, and in the five weeks the thirty ate 8 bushels of oats, 2 bushels of barley, and 100 pounds of low-grade (unsaleable) flour, with just enough skim-milk added to make the food moist. Water to drink and gravel to peck were supplied. The farmer was so well pleased with the result of his experiment, that he will fatten more chickens next year. He knows nothing that pays better for the amount of labor involved. The merchant to whom he sold rather took his breath away by writing that if he could supply broilers weighing 1½ or 2 pounds in April or May, he would get 45 cents a pound for them.

Further on in his speech, Mr. Wright made another quotation of a letter which was written from Riverside, California,

in March of this year, and published in the Renfrew "Mercury."

In an agricultural way you have gained enormously over this country. Speaking recently with one of the ablest men who are taking care of our agricultural and horticultural interests at Washington, I was really pleased to have him say that the Department of Agriculture in Canada was far in advance of that in this country.

#### Tobacco Growing.

The customs and excise duties of the present Government on tobacco have given encouragement to the use of home-grown tobacco in Canada. By the arrangement of the duties there is a certain protection of the Canadian grower of tobacco, and by the arrangement of the licenses there is encouragement to the manufacturer to use Canadian tobacco. The result has been most stimulating, but the Canadian producer was not thoroughly up in the best methods of handling this peculiar crop.

The Minister of Agriculture undertook certain work at the Experimental Farm, and put up there a scientifically constructed tobacco drying house. In the province of Quebec experiments were conducted, under the supervision of the Department, in the growth of different varieties, and a small Experimental Station was established at St. Jacques de l'Achigan. Owing to the resignation of the manager, this work was suspended. The Minister, however, sent an expert tobacco grower and handler to Belgium, to find out just what methods were most successful in preparing the tobacco for the market, and a valuable report was obtained. Further investigations have been carried on in the United States as to the methods of curing and handling the crop there, and to-day a mass of information is collected and prepared for distribution to the tobacco growers of the country, which it is confidently expected will revolutionize the methods and increase the profits from this most important crop.

The great importance of it may be seen from the census reports, which show that in 1890, there were only 314,086 pounds of tobacco grown in Ontario, and 3,958,737 in Quebec: in 1900, the yield had risen to 3,503,739 pounds for Ontario, and 7,655,917 pounds for Quebec.

The reports of the Department of Inland Revenue show that in 1895-96, the number of factories of foreign leaf were 27, while only 10 were engaged in the manufacture of domestic leaf. At the end of last year, the number of factories engaged in foreign leaf had fallen from 27 to 23, while the number engaged in domestic and mixed tobacco had increased from 10 to 30. In 1895-96, under the Conservative regime, we manufactured 9,609,184 pounds of foreign leaf tobacco, nearly the whole consumption being of foreign leaf tobacco. We only manufactured and consumed in that year 474,205 pounds of Canadian tobacco. The Liberal policy has been so fruitful in good results that last year we manufactured 7,726,316 pounds, and into that manufacture there entered 4,921,181 pounds of Canadian leaf. During 1902, 3,712,150 cigars made with Canadian tobacco went into consumption, as against only 704,910 in 1898. So, thanks to the progressive policy of the Liberal Government, the Canadian leaf is rapidly displacing foreign leaf in Canada.

#### Departmental Branches.

When the Laurier Government took office the work of the Department of Agriculture, for farmers, consisted of the Experimental Farm system and the work of Professor Robertson as Commissioner of Agriculture and Dairying. Professor Robertson had no expert officer to assist him. At the present time his Branch comprises: The Live Stock Division, under Mr. Hodson, the Dairy Division proper, under Mr. Ruddick; the Fruit

Division, under Mr. McNeil; the Seed Division, under Mr. Clark; the Extension of Markets Division, under Mr. Moore, and the Poultry Division.

#### Agricultural Export Trade 1890-1903.

The Agricultural Exports, the produce of Canada, for seven years under Conservative rule, 1890-1896, compared with exports for seven years under the Liberals, 1896-1903.

Year.	Animals and Products.	Agricultural Products.
1890	25,100,995	18,908,03
1891	25,017,741	13,666,84
1892	28,504,850	22,113,28
1893	31,730,409	22,044,49
1894	31,881,073	17,677,64
1895	14,357,770	15,719,12
1896	30,507,041	14,081,36
Total 1890-1896	214,183,468	117,217,80
1897	30,245,252	17,982,64
1898	44,301,470	33,003,28
1899	49,743,130	22,952,91
1900	50,148,807	27,510,66
1901	55,405,511	24,781,48
1902	50,101,200	37,152,66
1903	60,817,544	44,624,32
Total 1897-1903	370,512,721	208,073,95
Total 1890-1896	214,183,468	117,217,80
Increase for 1897-1903	150,729,252	90,856,15

#### Prices Compared.

The following table will illustrate the course of our export trade in the leading Agricultural products and show the differences in the prices received by our farmers for these products during the former Administration and at present:

#### A comparison of prices between 1896 and 1903.

Products	1896		1903.			
	Quantity.	Price.	Value.	Quantity.	Price.	Value.
Cattle to England	97,042	\$75.24	\$6,816,301	101,170	\$67.27	\$10,842,438
Cattle to United States	1,646	5.39	8,870	10,432	28.01	292,288
Eggs	6,250,678	0.123	807,086	7,404,100	0.193	1,436,131
Butter	5,880,241	0.178	1,052,089	34,128,944	0.203	6,954,618
Cheese	164,689,123	0.084	13,956,571	239,099,925	0.108	24,712,943
Bacon, Ham and Pork	55,079,032	0.08	4,446,884	143,288,402	0.111	16,029,260
Beef	411,468	0.051	21,158	2,378,175	0.086	206,563
Mutton	150,013	0.05	7,458	84,212	0.042	7,794
Wheat	9,910,542	0.58	5,771,521	32,985,745	0.744	24,566,703
Wheat Flour	186,716	3.85	718,433	1,287,766	3.65	4,609,143
Oats	968,137	0.28	273,861	7,593,177	0.34	2,583,151
Pease	1,757,115	0.73	1,199,491	1,144,754	0.919	1,052,743
Rye	29	0.62	18	470,419	0.573	209,952
Corn	9,765	0.36	3,548	70,348	0.516	36,1325
Buckwheat	405,000	0.42	173,689	314,349	0.557	175,194
Potatoe	596,635	0.38	227,606	660,967	0.585	360,748
Hay	214,640	9.21	1,976,431	450,053	7.98	3,595,665

Products	Quantity	1896	Value	1903	Quantity	Price	Value
Poultry .....	.....	.....	18,992	.....	.....	.....	100,618
Apples, green or ripe .....	567,183	2.50	1,410,470	1,000,528	2.75	2,738,744	
Horses .....	31,853	96.70	2,113,095	3,878	151.00	503,921	
Sheep .....	391,490	5.50	2,151,283	401,443	4.12	1,063,681	
			\$ 43,250,915				\$ 103,018.71
							43,250,015

Increased receipts upon these articles in 1903 ...

\$ 61,57,709

### Seven-Year Periods Contrasted.

The following is a comparison of the last seven years under Conservative rule with the past seven years under Liberal administration with respect to our domestic exports of Eggs, Butter, Cheese, Bacon, Ham and Pork:

1890	\$1,795,214	\$ 340,131	\$ 9,372,212	\$ 645,360
1891	1,160,359	602,175	6,508,800	632,588
1892	1,089,798	1,056,058	11,052,412	1,158,872
1893	868,007	1,299,814	13,407,470	2,052,471
1894	714,954	1,005,588	15,488,191	2,070,483
1895	807,090	607,476	14,253,002	3,812,145
1896	807,086	1,052,080	13,050,571	4,440,884
1897	\$ 67,242,508	\$ 6,140,331	\$ 87,638,658	15,752,773
1897	\$ 78,479	\$ 2,089,173	\$ 14,670,239	\$ 5,871,088
1898	1,255,304	2,046,680	17,572,763	8,062,175
1899	1,207,003	3,700,873	16,770,705	10,473,211
1900	1,457,904	5,122,150	10,851,324	12,803,034
1901	1,094,040	3,295,613	20,666,951	11,829,820
1902	1,733,242	5,100,541	19,686,201	12,457,803
1903	1,430,130	6,954,618	24,712,043	16,020,200
	\$ 9,810,760	28,869,710	131,978,276	\$ 77,558,115

1897-1903—Total	\$ 9,810,760	\$ 28,869,710	\$ 133,978,276	\$ 77,558,115
1890-1896—Total:	7,242,508	6,140,331	87,638,658	15,752,773

Increase for 1897-1903:	\$ 3,577,252	\$ 22,729,379	\$ 46,339,618	\$ 61,805,342
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### Increased Exports.

The increased receipts to the Canadian farmers for these four products alone amount to the enormous sum of \$133,451,591.

During the 7 years of Liberal rule ending in June, 1903, the total agricultural exports amounted to \$ 578,986,671. During the last 7 years of the Conservative regime the total agricultural exports were of the value of \$ 331,401,269.

Making an increase for the last 7 years of \$ 247,585,402

or 70 per cent. Or, more simply expressed, it means \$525 more in the pocket of every owner of a Canadian farm not less than five acres in area, there being in all Canada 471,833 of such owners.

This increase in the exports of agricultural products is equal to 53 per cent of the total increase in Canadian exports of all kinds during the last 7 years.

Of these exports, the four which are most directly benefited by the mechanical cold storage and cold air accommodation provided by the present Minister, viz.: butter, cheese, eggs and bacon, as shown in the table given above, amounted in the Liberal 7-year period to \$250,225,000, against \$116,774,000 under the Conservatives, or an increase of \$133,451,000 in favor of the Liberal period. This is considerably more than half of the total increase in the total exports of all our Canadian agricultural products, and is certainly a startling record.

The profitable sale, by the 471,000 Canadian farm owners, of this additional 133 millions worth of these four products, even excluding from consideration all others, marks the vast difference there is between depression and discouragement on the one hand, and prosperity and contentment on the other.

Of the four perishable products mentioned, there were exported during the last fiscal year, 1903, the amount of \$ 49,132,960. Against, for 1896 ..... \$ 20,262,630

Increase ..... \$ 28,870,330

The great bulk of this \$49,132,960 worth of exports was directly benefitted by the mechanical cold storage and the cooled-air accommodation provided through the initiative of the Liberal Minister, and now controlled by him through his staff of expert officials.

### American Exports of Butter and Cheese.

The Conservatives, who are fond of comparing our trade with that of the United States, will find little comfort in the following statement of the American exports of Butter and Cheese:

	Cheese.	Butter.
1890	\$8,501,042	\$4,187,489
1891	7,405,376	2,197,100
1892	7,070,057	2,445,878
1893	7,624,048	1,073,690
1894	7,186,332	2,077,608
1895	5,497,539	915,333
1896	3,091,914	2,937,203
1890-1896	\$47,067,277	\$16,363,507
1897	\$4,636,063	\$4,493,374
1898	4,559,324	3,804,715
1899	3,316,040	3,203,951
1900	4,943,609	3,143,599
1901	3,950,919	4,014,905
1902	2,745,597	2,880,606
1903	2,450,229	1,004,327
1897-1903	\$20,401,870	\$23,270,430
1890-1896	47,067,507	16,363,507
Decrease for Cheese,		
1897-1903	-\$20,665,037	
Increase for Butter,		
1897-1903		\$6,706,923

Thus we see that while the exports of cheese from the United States during the period 1897-1903 decreased \$20,665,037, our exports of cheese during the same period increased \$40,339,618; and while, with their large population, they only increased their exports of butter \$6,706,923, we increased ours \$22,729,379. Moreover, their cheese decreased from \$3,091,914, in 1896, to \$2,450,229 in 1903; and their butter decreased from \$2,937,203 in 1896 to \$1,004,327 in 1903.

This contrast shows how much more successful Canadian methods of production and conveyance, and Canadian fiscal policy have proved than those of the United States.

### Comparison of Canada's Trade in Agricultural Products with the United States Trade.

Our Conservative friends have been advocating as a model worthy of imitation the United States tariff, which averages little short of 50 per cent., on all classes of dutiable imported goods. From their emphatic statements, one is led to believe that the door could be effectually closed to imports. Let us examine the facts.

For this purpose we will compare Canadian and United States exports and imports, beginning with the Canadian trade.

For the Canadian trade we will avoid the unfair proceeding of the Conservative members who, in Parliament, have been in the habit of selecting for this discussion only the few products that may particularly suit their purpose, hoping to score a point by withholding a part of the truth. We will take the list of agricultural exports, the produce of Canada, and of imports consumed in Canada, as given by the Dominion Statistician from year to year for several years back, and which appears for the year 1903 in the 1903 edition, at pages 141-148. We will consider the products that are there specifically named, including living animals, meats, provisions, fruits, grains, vegetables, and the special products therein mentioned, which make up a complete list. This list does not comprise such tropical fruits as bananas, pineapples, oranges, lemons, nor raisins, currants and prunes of foreign variety, which the dishonest Conservatives often include to serve as the basis of the present discussion, as if these tropical productions could be procured in this country. Wool unmanufactured, hemp and flax were placed by the Conservatives on the free list as manufacturers' raw material. We have kept them free, and they should not figure in this discussion. We will also remove from the discussion: Free corn, the live stock men's boon, and corn which is dutiable for distillation purposes, of which our Ontario farmers cannot produce a sufficient quantity to supply the distillers. We shall make a special reference to these products later, to fully justify their omission from the present discussion. We will also remove such brands of tobacco, required for manufacturers' raw material, as we do not produce in Canada, and upon which the manufacturer must pay heavy customs and excise taxes upon removing it from the bonded warehouse. As the result we have the following complete table of our agricultural exports to the United States, the produce of Canada, and of our agricultural imports from the United States that were entered for consumption in Canada during the fiscal year ended June 30, 1903:

	Exports	Imports
Cattle	\$ 298,288	to U. S. \$ 172,180
Horses	340,239	790,189
Sheep	961,109	200,836
Swine	313,790	1,626
Poultry	38,971	
Poultry and game, dressed and undressed	18,158	\$ 6,975
Butter	10,423	137,034
Cheese	7,779	30,401
Eggs	6,436	*121,262
Barley	17,148	1,038
Beans	53,866	25,590
Bran	91,048	
Bran, mill feed, etc.		
Oats	39,062	106,518
Peas	210,033	50,966
Wheat	530,204	74,138
Wheat flour	68,216	57,794
Hay	1,924,508	115,271
Hops		126,646
Fallow		93,716
Lord		3,142
Bacon and Hams	1,223	130
Bacon, hams, shoul-ders and sides		41,381
Mutton	5,007	
Pork	8,031	
Pork in brine		
Beef	410,200	
Beef, salted in barrels	4,052	
Meats, canned and all others	8,038	
Smoked, dried, pre-served, etc.	10,142	
Canned meats, canned poultry and game		
Seeds—clover and grass	124,303	
Seeds, all kinds		103,000
Potatoes	56,060	443,002
Turnips	103,006	228,610
Other vegetables	17,705	
Vegetables, canned and preserved	1,258	
Melons		10,318
Fresh tomatoes		69,014
Tomatoes, corn, beans, etc., in can		
Tomatoes, fresh or dry-salted n. o. p.		115,905
Straw	11,597	210,983
Trees, shrubs and plants	6,270	
Peaches		47,715
Cranberries		70,003
Cherries		37,412
Plums		14,754
Apples, dried, green or ripe	24,483	49,011
Berries	109,698	87,131
Totals	\$ 5,425,035	\$ 5,122,938
		\$ 5,425,035
Balance in our favor		\$ 302,097

\*This item is put down in the Year Book in error at \$533,236 instead of \$121,262, making the total imports on page 148 \$436,652 too large.

Referring to the preceding statement, the high tariff of the United States, although designed to be prohibitive, has not prevented Canadian farmers from exporting to the Yankees \$302,097 worth more than the Canadians imported from them. At the same time we exported to all countries \$114,000,000 worth of these same products.

### Imports into Western Canada.

We find that these imports from the United States went into the Western Provinces of Canada, as follows:

Manitoba	\$ 453,450
North-West Territories	916,085
British Columbia	982,499
Yukon	734,778
Total Imports into Western Canada	\$ 3,100,722
	5,122,138

Leaving Imports to East \$ 2,013,266

While agricultural products of the value of \$2,013,266, in 1903, came into Canada east of Lake Superior, into the Provinces of Ontario and Quebec and the Maritime Provinces—at the same time the great bulk of our agricultural exports to the United States, of the value of \$5,425,000, were the production of the very same provinces and passed through the Customs port of Eastern Canada to that country. A glance at the list we have just given will easily convince that this was the fact in the case of nearly all the articles enumerated that are of considerable amount; for instance, the "Animals," "Seeds," "Vegetables," "Fruits." The imports into Western Canada were distributed amongst the chief classes of products we have just mentioned, as follows:

Animals	\$ 1,421,106
Grain—Yukon and British Columbia	112,708
Hay—Yukon and British Columbia	121,665
Meats	616,343
Butter, Cheese and Eggs—Yukon and British Columbia	281,563
Vegetables	196,093

Total Import of these special things \$ 2,749,538

The farmers of Eastern Ontario find a more profitable market abroad for their similar products, and it would be impossible for them to send those products to the far West and North to take the place of these imports from the United States.

We find, however, certain of these imports are brought in as raw materials to be finished in Canada to the profit of our Canadian farmers. For instance, there has been for a few years a shortage of cattle in the ranges of the West. Sufficient stockers could not be supplied by Eastern Canada, and our ranchers therefore imported from Mexico and the United States, in the last year, \$472,689 worth. These were fed on our Canadian ranches and exported at a greatly enhanced price. As the Canadian supply increases and overtakes the demand this importation will not be necessary; but had prohibitory duties shut these animals out, our ranches would have been seriously handicapped, and their profits in the business of finishing these animals would have been lost to the country.

#### A Further Table of Imports and Exports.

In addition to the list of imports and exports which we have already given, our readers will derive valuable instruction from a study of the following table, comprising staple articles only of Canadian

**agricultural production and export**  
The table shows the quantity and value of our total imports from the United States of the articles mentioned, also our total production and total exports of the same things, as well as their distribution as between Eastern and Western Canada.

#### Summary Tables.

The preceding table shows that we exported enormously more than we imported, and that the small quantity we did import, entering far from our great producing centres, did not come into competition with the produce of our farmers.

Perhaps the reader does not realize exactly the extraordinary disproportion there is between the imports and the production by our farmers of these things which are the staple products of the farm. By studying the table he will see that for hay there is *one ton* imported to *one thousand* grown in Canada. For barley, there is *one bushel* imported to *thirty-four thousand* produced. For oats, there is *one bushel* to *one thousand five hundred*. For wheat, there is *one bushel* imported

	Imports from U. S.	Imports to Yukon, etc.	Imports to East Canada.	Total Exports
Hay .....	\$ 126,646	\$ 121,667	\$ 4,979	\$ 3,596,557
(Quantity from U. S., 8,000 tons)				
(Total production, 8,000,000 tons)				
Live Animals .....	1,507,619	1,421,106	513	13,972,596
Barley .....	1,038	.....	.....	457,333
(Quantity from U. S., 2,609 bushels)				
(Total production, 34,000,000 bushels)				
Oats .....	70,657	.....	.....	2,638,881
(Quantity from U. S., 100,000 bushels)				
(Total production, 151,000,000 bushels)				
Pease .....	17,617	.....	.....	1,056,256
Wheat .....	57,794	.....	.....	29,088,781
(Quantity from U. S., 84,000 bushels)				
(Total production, 93,000,000 bushels)				
Beans .....	26,332	.....	.....	79,801
Total Grain .....	173,432	125,000	48,432	33,315,067
Potatoes .....	228,848	.....	.....	389,090
(Quantity from U. S., 407,000 bushels)				
(Total production, 55,000,000 bushels)				
Apples .....	79,890	.....	.....	2,759,047
(Quantity from U. S., 81,000 bushels)				
(Total production, 48,000,000 bushels)				
Butter .....	131,745	116,000	15,745	6,958,900
(Quantity from U. S., 658,000 lbs.)				
(Total production, 141,000,000 lbs.)				
Cheese .....	30,400	17,400	13,000	24,776,400
(Quantity from U. S., 269,000 lbs.)				
(Export to England, 229,000,000 lbs.)				
Eggs .....	181,563	120,000	1,000	1,447,854
(Quantity from U. S., 772,000 doz.)				
(Total production, 84,000,000 doz.)				
Total provisions, including meats .....	1,744,896	750,000	1,250,000	50,569,442

to one thousand produced. For potatoes, one bushel to one hundred and thirty. For live stock, there is one dollar's worth imported to two hundred and twenty-eight dollars' worth already in Canada; one dollar's worth of meat to seventy dollars' worth in animals killed and sold in Canada, the produce of Canada, during the year 1903.

There is one horse imported during the year to one hundred and fifty already in Canada.

For apples, there is one bushel imported to six hundred produced. For butter, one pound imported to two hundred produced. For cheese, one pound imported to two thousand exported to England. For eggs, one dozen imported to one hundred produced.

Therefore what words can be severe enough to properly stigmatize the action of the Conservatives, who are trying to play upon the credulity and the presumed ignorance of the stalwart yeomanry of this country; the Tory politicians who are promising, with an emphasis which is peculiarly their own, that they will do for them, by means of high protection, what they during the eighteen years of their regime, failed to do, and what they well know they cannot do, viz.: to absolutely stop the importation of a limited quantity of products from the United States; who are promising the farmers what they now possess, prosperity, as the result of an additional "home market," when they know this additional "home market" is of insignificant volume; being on an average anywhere from one dollar's worth of products imported to from one hundred to one thousand dollars' worth produced.

### The Tory Model.

The United States is held up to us as our model. Let us examine their total exports and imports and their agricultural exports:

	1901	1902	1903
Imports:	\$ 822,756,000	\$ 903,320,000	\$ 1,025,610,000
Exports:	1,487,656,000	1,381,719,000	1,410,991,000

This statement, taken from the official returns of the United States Government, shows that even with the enormous protection of 50 per cent., the imports have

steadily increased, while the exports have somewhat fallen off.

But in order to better observe how this falling off in exports affects the farmer, let us examine the exports from the United States of agricultural produce, including, according to their grouping, animals, breadstuffs and provisions added together:

### Agricultural Exports

	1901	1902	1903
	\$525,000,125	\$457,867,400	\$435,863,192

Contrast with this our own trade for the same period under a moderate revenue tariff and we find our total imports and exports for each of the same years increasing in a healthy relative proportion as follows:

	1901	1902	1903
Imports..	\$181,237,088	\$202,791,595	\$233,790,510
Exports..	177,431,380	196,010,763	214,401,074
Agricult'1 exports..	80,276,797	96,313,897	114,441,863

### Protection for the Market Gardener.

The Hon. J. I. Tarte, while Minister of Public Works in the Liberal Ministry, was recognized as a constant adherent to the protective principle. His uncompromising attitude on the question, repeatedly expressed in public, led to the open rapture with the Prime Minister, and to his withdrawal from the Cabinet and from the party.

### Now in the Tory Ranks.

During the session of 1902, Mr. Leonard, M. P., for Laval, introduced in Parliament a motion in favor of considerably raising the duties on vegetables. He was supported in the debate by the member for Jacques-Cartier, Mr. Monk. At that time the same arguments were used which have since been repeated with great emphasis by Mr. Blain, the Conservative member for Peel, Ontario.

Mr. Tarte, who—immediately after severing his connection with the Liberal Government—was recognized by the Conservatives, and was especially paraded before the public by the "Montreal Daily Star," as the high priest of protection, on April 28th, 1902, spoke in the House of Commons, in opposition to Mr. Leonard's motion, as follows:

My hon. friend wants us to raise the duties upon lettuce, cucumbers, tomatoes, asparagus, celery, beets, onions, etc. It is well known that in the winter months we do not grow cabbages nor cucumbers. We are also aware that it is extremely difficult to raise tomatoes in the winter season. We had to pay last winter, fifty cents a pound for tomatoes of Canadian growth, whilst American tomatoes were being sold on the Montreal market at twenty cents a pound.

It is idle to appeal to prejudices. There are enough people buying tomatoes and lettuce, for let it be known that I am speaking the plain, unvarnished truth. Cauliflowers are not grown in the winter months in Canada. I agree that during a certain season of the year they can be kept, perhaps during two or three months. The cauliflowers we buy in the winter are imported from the United States.

In short, I believe that what the hon. gentleman is aiming at is to make political capital with the electors and to catch popular favor rather than appealing to their reason. Let my hon. friend allow me, in all due deference, to call his attention to the fact that in the Province of Quebec, as elsewhere, farmers have a great deal of common sense. Go through the county of Laval and ask the market-gardeners if they can produce cucumbers, celery, tomatoes, and cauliflowers in the winter months, and they will tell you that they cannot do so.

Further on, in answering the hon. member for Laval, the Minister of Public Works of that day used the following language :

My hon. friend knows very well that, even if additional duties were imposed on pease, tomatoes, cucumbers, and other vegetables, that would neither improve the climate nor enable us to grow those vegetables to advantage during the winter months. The increase in the duties asked for by my hon. friend would only result in forcing the consumer to pay more for those products, without improving the condition of the Canadian producer. To my mind, such a proposition is preposterous.

Mr. Tarte so spoke with evident sincerity, and with a practical knowledge of the facts and circumstances connected with this industry, and in spite of his outspoken predilection for higher protection on the general list of importations. And in that attitude he was quite consistent. The protection on these products that had existed for eighteen years was in 1897, and is still maintained. The total imports of vegetables for 1903, including potatoes, were \$703,289, which paid duties to the amount of \$100,600 or 27 per cent. The question of the further increase of this protection, in favor of about 10,000 gardeners in the vicinity chiefly of Toronto and Montreal, against a consuming population of 700,000, is we

think, a fair question for the proposed Fielding Tariff Commission to decide after hearing all parties interested.

#### Indian Corn.

Take another item—Indian corn. But little of this can be raised in Canada. In the greater part of the Dominion stock owners find it more profitable to turn their Indian corn into ensilage than to attempt the uncertain task of ripening it for grain. The crops of Indian corn for ensilage supply our farmers with a greatly increased quantity of roughage for their stock, and therefore enable them to keep more stock than they used to. For the profitable finishing of this stock, however, they require concentrated feed, and the corn now imported free from the United States enables them to economically fatten their stock. The import of Indian corn is a great advantage to the farmers of Canada, and has assisted especially the live stock industry, which is the basis and mainstay of the agricultural prosperity of the Dominion.

During several years of Conservative rule, if a Canadian whisky distiller wanted to import American corn to make Canadian whiskey and export it to the United States for the Yankees to drink, he got 99 per cent. rebate on the 7½ cents a bushel of duty paid on the corn. But if a Canadian cattle grower, a Canadian farmer, wanted to import American corn to fatten Canadian cattle or swine to ship to the British markets, he had to pay the duty and he got no rebate. The Liberal Government, in 1897, reversed this policy, made the distillers continue to pay the duty, but made corn free to the farmers.

The following year our corn growers got a higher price for their corn, and got better prices for their coarse grains as well, notwithstanding Tory predictions to the contrary. The Ontario farmers who had 317,667 acres in corn, in 1896, before corn was made free, had, in 1902, increased their acreage to 771,050, and the export rose from \$3,548, at 36 cents per bushel, in 1896, to \$118,563, at 58 cents per bushel in 1902.

#### Tory Tariff Tinkering.

In the folding leaflet which the Conservatives are circulating, they remind

the electors of their attitude in the House of Commons in 1903, when they supported and the Liberals opposed "adequate protection" to the market gardeners and the farmers. They give a list of the rates of duties in Canada and in the United States on each article, showing them to be all the way from 100 to 150 per cent., to the advantage of the American.

We have just exploded the fallacy of the pretension that our farmers have been at all injured by this apparent tariff advantage.

The Conservatives include in their list, butter, cheese, potatoes, apples, wheat, oats, barley, pease, hay and eggs.

Eggs had been left on the free list during sixteen years of the Conservative regime until 1894, when they put on a five cent. duty. The Liberals reduced it to three cents.

The Conservatives at first left the duty on potatoes as it was in 1878 at ten cents. We have maintained it at the rate they raised it to, viz., fifteen cents.

We have maintained the full duty on everything else enumerated, except wheat and wheat-flour, which they do not include in their list. For the first twelve years of their regime, when the struggling farmers needed it most, they left the duty on flour at fifty cents a barrel. In our area of expanding wheat production and flour milling we have reduced the duty from seventy-five cents to sixty cents a barrel on flour, and from fifteen to twelve cents per bushel on wheat. Of our action in doing this we have received no complaint, and we imagine that our farmers have too much common sense to complain when there is an import of but one bushel of wheat to every thousand bushels they produce.

In their list the Conservatives say nothing about living animals. In 1890, shortly before the 1891 elections, they raised the duty on cattle from twenty per cent., to thirty per cent; but at the next revision of the tariff, in 1894, regretted the concession to the then struggling farmers and put the duty back to twenty per cent. In our prosperous times twenty per cent was considered high enough, and has been maintained.

In 1890, previous to the elections, the duty on live hogs was raised from twenty per cent., to two cents per pound; and

the duty on cured meats, including pork in brine, was raised from two to three cents per pound. The Conservatives regretted their pre-election action and at the next revision, in 1894, reduced the duty on live hogs to one and one-half cents, and on cured meats to two cents a pound; and yet in one of their campaign folders they take credit for raising the duty in 1890 without making the slightest allusion to their reducing it in 1894. Surely if there was ever a time when the struggling live stock men needed the higher duty it was at that very time. In our era of abounding prosperity among these particular interests we have maintained the 1894 rates.

#### "The Farmer Robbed of his Market."

The Conservatives have been recently encumbering His Majesty's mail service with the free distribution, from Ottawa, of a great mass of literature in the shape of a newspaper sheet containing, under various glaring headings, short placards or proclamations containing glittering generalities unsupported by detailed proof.

An instance of such misleading statement is the following, under the heading :

#### THE FARMER ROBBED OF HIS MARKET.

The Canadian Farmer should feed Canada.

But he does not.

Large sums of Canadian money, that should go to the Canadian farmer, are each year spent with the farmers of the United States.

In 1903 Canada bought from foreign farmers, for home consumption :

\$5,456,136 of Breadstuffs.

\$2,418,591 of Provisions and Vegetables.

\$8,004,424 of Animals and their products.

Total, \$15,870,151.

This is because the Liberal Government's tariff favors the United States farmer instead of the Canadian farmer.

From the context accompanying the figures the reader would naturally infer that the "foreign farmers" above mentioned, from whom the purchases were made, were exclusively American. That is not the fact, the figures given include imports from all countries. In an appeal to an intelligent class of people, why should they set out to show the import trade from the United States, as if no other country was concerned, and then

immediately, without any explanation, proceed to mix the United States imports with the imports from all other countries? Surely their cause is a very bad one when such fraud is necessarily to bolster it up.

Besides the fact that the figures contain the imports of all other countries as well as the American, they contain whole classes of products that are not and cannot be produced in Canada, as we will show later. Assuming that these figures comprise only things that really sell in our markets in competition with what our farmers produce, still we find that in 1903 we sent of these things to foreign markets :

\$40,857,204 of Breadstuffs.  
\$51,134,131 of Provisions and Vegetables  
\$16,360,577 of Animals and their products  
Total, \$108,345,912.

In comparison with which the \$15,879,151 of importations form only 15 per cent; 85 per cent., is a pretty large balance of trade in our favor.

The following items which are included should not be :

Rice, tapioca, sago, arrowroot, vermicelli and fancy biscuits of same, etc., etc. ....	\$ 1,124,471
Free corn, the live stock man's raw materials ....	3,250,320
Animals for improvement of stock..	805,020
Hides, the leather manufacturer's and the shoemaker's raw material..	5,062,525
 Total of imports which should come out .....	\$ 10,842,354

We shall make no mention of sweet potatoes, canned sweet corn, and many other things we cannot produce which are also included. Taking from the \$15,879,151, the total of the imports as given by the Conservatives, this amount of \$10,842,354, we have then reduced to \$5,036,579, as follows :

Breadstuffs .....	\$ 1,081,334
Provisions and Vegetables .....	2,418,561
Animals (their product, apart from hides, being included in Provisions)..	1,536,651
 \$5,036,576	

Mr. E. D. Smith, the Conservative member for Wentworth, Ontario, speaking on this subject in the House of Commons, on the 9th June, 1904, made a careful selection of the agricultural im-

ports into Canada from all countries, which he considered came into competition with what our farmers produce. That list, of course, contains things such as hay, hops, trees and plants, etc., which do not come under the general classification adopted in this case by the Conservatives. Mr. Smith made his comprehensive list amount to \$5,756,228.

Under the Conservative headings : Breadstuffs, Provisions, Vegetables and Animals, the only agricultural imports therefore concerning which there can be any question of competition with Canadian farmers, amount, as we have shown, to \$5,036,576.

The great bulk of these things have gone to the Yukon, British Columbia, the North-West Territories and Manitoba. The following table, besides showing their distribution as between Eastern and Western Canada, gives also to our total exports of the same products :

	IMPORTS.	EXPORTS.
	West.	East.
Breadstuffs ...	\$ 272,288	\$ 809,040
Provisions and	882,724	1,535,867
Animals .....	1,421,106	150,058
		16,360,577
		 \$2,576,118
		\$2,494,971
		\$108,345,912

It has not been seriously urged by the people in Western Canada that the agricultural imports there have had the slightest effect in displacing the Canadian product. These imports were either stockers imported at an average price in 1903 of \$12.50 per head, to serve as the raw material of our graziers, or they were imports into British Columbia, and the Yukon especially—places far removed from our centres of agricultural production and comparatively much nearer and of easier access to the United States centres of agricultural production. The Conservatives, by their short-sighted and selfish policy in defeating the Liberal Yukon Railway Scheme, destroyed Canada's chances of competing on at least equal terms with the Americans in the Yukon trade.

The imports to Eastern Canada compare as \$2,494,971 to exports \$108,345,912, a negligible quantity when we remember that these export figures represent about from one-fifth to one quarter of our total production.

### I Agricultural Trade with the U.S.

Speaking of our total agricultural trade with the United States, whether of raw material or other, we find that our

agricultural imports from the United States show a sagging tendency, while our agricultural exports to them are tending upward, as the following illustrates:

	1899	1900	1901	1902	1903
Imports from United States .....	\$ 19,418,564	\$ 17,863,359	\$ 17,764,464	\$ 15,524,941	\$ 16,901,391
Exports to United States .....	5,307,973	7,057,173	7,845,066	7,041,110	8,360,700
Canadian Agricultural Exports to all Countries .....			80,276,707	96,313,147	114,447,463
United States Agricultural Exports to all Countries .....			525,613,125	477,877,406	435,862,103

We elsewhere deal in a more complete and comprehensive way with our whole import trade. If the reader will, however, once more study, in the light of the analysis we have just given, the general statement of the Conservatives, with the quotation with which this article begins,

he will be in a position to make a proper estimate of the glittering generalities contained not only in that quotation, but of the absurd guff, vague assertion, concealment and mis-statement, apparent throughout the newspaper folder.

## CHAPTER XVIII.

### THE DEVELOPMENT OF THE GREAT WEST. THE WORK OF THE DEPARTMENT OF THE INTERIOR.

#### What the Hon. Clifford Sifton has Accomplished.

The results achieved by the Liberal administration of the Department of the Interior, not only emphasizes how inefficiently it was managed by the Conservatives, but how much has been accomplished by the Hon. Clifford Sifton since he inaugurated his aggressive and vigorous immigration policy.

#### The New Immigration Policy.

The Hon. Mr. Sifton undertook the work of his portfolio with the great advantage of knowing the needs and aspirations of the Western country thoroughly. His policy from the start was bold, energetic and intensely practical. He realized what his predecessors failed to do, viz.:—that the landing of immigrants in the country was only the commencement of good immigration work, and that to ensure the best results, every reasonable effort must be put forth to make the new comers perfectly satisfied and contented. Towards that end land regulations have been simplified and made more generous in a variety of ways too numerous to mention. He saw the weak points that had given rise to dissatisfaction in the past, and supplied the necessary remedy. The settler is now welcomed instead of being practically neglected on his arrival, and is made to feel that he is among friends. In short, the aim has been to make it as easy as possible for the immigrant to get settled,—the fertility of the land will do the rest.

The record is one of persistent, intelligent and enthusiastic effort, particularly in Great Britain and the United States. The great influx of people from the latter country into Canada has attracted the attention of the press of the world.

Furthermore, we are holding the people who come to us, instead of losing a large percentage, as was the case under the Conservative Government.

#### The Work of the Department in Detail.

The work done by the Department chiefly concerns: (a) Immigration, (b) Administration of Dominion Lands.

Both are intimately associated with the settlement and development of the country, and therefore upon their capable administration depends a large measure of the country's prosperity. The effective policy carried out by the Liberal Government in regard to the Interior Department has unquestionably had an important bearing with respect to the prosperity which has prevailed throughout Canada since 1896.

#### The Need of an Immigration Policy.

Scarcely any one will dispute the necessity in Canada for an effective immigration policy. The Conservatives cannot dispute it, because by both word and action they have recognized it. For instance, Sir Charles Tupper, in his report for 1895, as High Commissioner for Canada at London, said: "I have no hesitation in saying that I regard the filling up of the vacant lands in Manitoba and the North-West Territories, as well as in the other Provinces of Canada, as one of the most important matters—if not the most important—that can engage the Government."

Moreover, the Conservatives spent large sums of money annually to promote immigration. For instance, from 1885 to 1896 they spent \$2,639,242 in this connection. Unfortunately for the country, this money was not spent in the proper way, and no results beneficial to the country followed. From 1878 to 1896 they spent over \$4,299,600.

### Canada's Vast Farming Area.

But even if this necessity was disputed, one has but to consider the huge tracts of arable land in the Dominion that are unoccupied to see that one of Canada's greatest needs is population. Manitoba, Assiniboia, Saskatchewan and Alberta possess an area of 238,000,000 acres of land. Millions of acres of this were given away to railway and other companies by the Conservative Government, but an immense area is still at the disposal of the country. About 18,000,000 acres have been given in free homesteads, but after deducting this and an additional 50,000,000 acres for lakes, rivers, bad lands, etc., there remains of Government lands enough to provide 100-acre farms for at least 800,000 farmers. In addition to this, the millions of acres of land disposed of to railways and land companies is, of course, also available for settlement.

There is, however, an additional tract of rich grain-growing lands yet untouched in the unorganized district of Athabasca, containing over 160,000,000 acres. After making allowance for water, and lands unsuited for agriculture, Athabasca will homes of practically another 800,000 give fully 100,000,000 acres as the future settlers.

### Another Estimate of Our Wheat-Growing Area.

Dr. William Saunders, of the Experimental Farm, in an article in the April number (1904) of the "Canadian Magazine," has discussed the question of wheat-growing in Canada, and he has given some estimate of the available land in the Northwest Territories for that branch of farming:

	Acres.
Manitoba .....	27,000,000
Assiniboia .....	50,000,000
Saskatchewan .....	52,000,000
Alberta .....	42,000,000
Total .....	171,000,000

It is thus estimated, says Dr. Saunders—

—that there are within the limits referred to, after making allowance for lands unfit for agriculture, about 171,000,000 acres suitable for cultivation, by which is meant land of such degree of fertility as to admit of profitable farming.

Further on Dr. Saunders deals with the question of the ability of Canada to supply food for the Mother Country.

### A Prophecy as to Future Wheat Crops.

The total imports of wheat and flour into Great Britain in 1902 were equivalent in all to about 200,000,000 bushels of wheat. Were one-fourth of the land said to be suitable for cultivation in Manitoba and the three provisional territories under crop with wheat annually, and the average production equal to that of Manitoba for the past ten years, the tot'l crop would be over 812,000,000 bushels. This would be ample to supply the home demand for 30,000,000 inhabitants (supposing the population of Canada should by that time reach that figure) and meet the present requirements of Great Britain three times over. This estimate deals only with a portion of the west, and it leaves the large eastern provinces out of consideration altogether. From this it would seem to be quite possible that Canada may be in a position within comparatively few years, after supplying all home demands, to furnish Great Britain with all the wheat and flour she requires and leave a surplus for export to other countries. With a rural population on the western plains in 1902 of about 400,000, over 67,000,000 bushels of wheat were produced. Add to this the wheat grown in Ontario and the other eastern provinces and we already have a total of over 93,000,000 bushels. These figures are full of promise for the future of Canada as a great wheat-producing country.

### The Productivity of the Land.

This land in the West is probably the most productive soil in the world. But it is of no value to Canada until people are placed upon it to cultivate it. According to the last census returns, there were 31,812 farms in Manitoba (anything less than 5 acres not being considered a farm). Now the census crop returns are for the year 1900. The average crop yield in 1900 was the lowest in the history of the Province; in fact, there was not half a crop. Still, the census figures show that the farm products in that year averaged per farm over \$750 in value.

### The Value of Farm Property in the Territories.

Another evidence of the value of settlement is shown in the value of the farm property of the Territories. According to the last census there were 22,813 farms in the Territories. The value of farm stock and property was \$76,402,057. This is equivalent to a value of over \$3,300 per farm.

These items illustrate how much each new settler adds to the wealth of the country. Put into the Territories 100,000 additional settlers, and even if the average value of farms showed no increase

(practically an impossibility), the increase in the wealth of the country would be \$330,000,000.

To make this statement is enough to demonstrate that additional population means tremendous expansion and increased prosperity of the whole Dominion.

It can be seen that of Government land alone there is enough to provide free homes for Canadians and new arrivals for a great many years to come. In 1902-03 the enormous number of 32,000 homesteads were granted, but even if settlement should continue at this rate, there is enough land now available to last for fifty years.

#### Immigration Under Conservatives.

The Conservatives when in power spent money freely upon immigration, but the work was not carried on properly, and the money was virtually thrown away. Their total expenditure with regard to immigration from 1878 was over \$4,299,000. What results followed from this expenditure? Year after year the Conservatives made extraordinary claims as to results. Statistics alleging large numbers of arrivals were published annually, but the census figures invariably gave these figures a black eye.

#### Conservative Decline in Immigration.

Despite the apparent padding that was done, even the Conservative figures show a steady decline in the number of arrivals for some years previous to 1896. Here they are:—

1892	27,898
1893	29,632
1894	20,829
1895	18,790
1896	16,835
	113,984

#### Immigration Under the Liberals.

With respect to immigration, the inauguration of Liberal administration had an immediate and salutary effect. It at once stopped the steady decline of immigration that characterized the Conservative administration, and instituted a new era. It resulted in a steadily increasing number of immigrants each year. And it should be pointed out that the

figures announced are absolutely reliable, the new system providing for records which show where each individual counted locates in Canada. Here are the immigration figures for each year of the Liberal regime, showing a steady increase, in marked contrast even to the unreliable figures of the Conservatives:

Immigrants who arrived during the Liberal regime:

1897	21,710
1898	31,792
1899	44,543
1900 six months, January to June	23,805
1900-01 fiscal year	49,149
1901-02 fiscal year	67,379
1902-03 fiscal year	128,304
Total	300,748

#### Homestead Entries.

The homestead entries show the success of the Liberal policy very clearly. Taking these entries for the seven years of Liberal rule, and the preceding seven years of Conservative rule, we find the following:

##### Conservative.

Homestead entries, 1889-90 to 1895-96  
23,029.

##### Liberal.

Homestead entries 1897 to 1902-03,  
73,185.

An increase for seven years under Liberal administration of 50,156.

#### The Record of Land Sales.

Again, dealing with the land sales by the Hudson's Bay Co. and the railways holding land grants, we find the following:

##### Acres.

Sales during the Liberal regime, 1897-1903 (both inclusive)...	8,833,554
Sales during the Conservative regime, 1893-1896 (both inclusive)...	411,608

Increase under the Liberals... 8,421,946

No returns were made to the Government previous to 1893, so it is presumed there were no sales to report.

### Homestead Entries by Canadians.

1865-67	677
1867-68	1,091
1868-69	1,809
1869-1870	2,047
1870-71	2,182
1871-72	1,980
1872-73	6,536

In 1870, the last year of Conservative administration, the homesteads taken up by the Canadians totalled 5703 while in 1872-73 under the Liberals, the homestead entries by Canadians totalled 6,536, or nearly six thousand more than during the last year of Conservative rule.

### The Laws That Made the Change.

The changes made, in regard to the lands of the Dominion, by the Hon. Clifford Sifton when he became Minister of the Interior, involved many details. Mr. Sifton had lived in the West for years, and was familiar with the conditions prevailing there. He had been a witness of the injustices and hardships suffered by the settlers during the Conservative days, and was thus in a position to know what remedies to apply.

At the very outset he took a notable step by stopping the promiscuous settling of public lands. He thus cut out the speculators, who, under the Tories, bought the Government land for a trifle, and then held it at such high prices that settlement was greatly interfered with. Since the Liberal party came into power, Government land has been retained for the settler alone.

Among the many changes in the homestead laws to encourage settlement and help the settler in every way within the means of the Government, were the following:

A settler who has acquired the right to a second homestead, may perform the resident duties connected therewith by living on the first homestead. It was found to be rather an absurd condition to require a man who is given the privilege of making a second homestead entry—especially as many were allowed by the late Government to second homestead their pre-emptions—and in order to relieve the settler from the inconvenience and expense of erecting another house within perhaps less than half a

mile of the house in which he was living, or even a longer distance, the Department decided that the residence condition of the second homestead would be considered as completed by living on the first homestead. This was provided by the amendments of 26th June, 1897, but afterwards this provision by amendment of 23rd May, 1901, was restricted to lands in the vicinity of the first homestead. A settler may perform the residence duties in connection with his homestead by living with his father or mother if they occupy farm lands in the vicinity. This is also a change for the convenience of young men who live near the homes of their parents. It gives them the right to perform the homestead conditions by living with the father if he is living on a farm, or, if the father is dead, with the mother, if she is residing on a farm.

### Laws Benefiting the Homesteads.

Of course, the other conditions that entitle the applicant to a free homestead must be complied with.

A similar privilege is allowed whereby a settler may live on purchased land in the vicinity whilst performing homestead duties. In such cases the settler must cultivate 30 acres on homestead, or substitute 20 head of stock, with buildings for their accommodation, and have 80 acres substantially fenced.

When the homesteader makes entry by agent, or without seeing the land, or for other good reason desires to abandon and make fresh entry, he is allowed to do so, and if, within three months this is allowed without extra charge.

The official rate of interest has been reduced from 6 to 5 per cent.

All charges for inspection and cancellation have been abolished.

Where a homestead entry is obtained for 80 acres or less, the entry fee is reduced to \$5, instead of \$10, as in ordinary cases.

Where a settler, who is entitled to a pre-emption, takes it as a second homestead, the provision requiring 40 acres of cultivation, has been abolished, and the ordinary duties are now accepted.

Cancelled time-sales have been made available for settlement, and are held ex-

clusively for homestead entry, or if the applicant is not entitled to a homestead, he may purchase the land at \$1 per acre, subject to homestead conditions.

This action was taken with a view of making available for settlement a large area of land which had been sold between 1880 and 1883, upon which only one or two payments had been made by purchasers, and the Government had taken no action towards compelling payment. These lands were, of course, simply held for speculation. Many of them have now been taken up by actual settlers, who have become homesteaders. Under the law one person is entitled to one homestead only, and it was found that a number of people in the district where these lands were situated, had exhausted their right to homestead by having a previous entry, and for various reasons had lost their homesteads, who desired to settle on their lands. Such persons were given minimum price of \$1 per acre, subject to homestead conditions, practically placing them in the same position as homesteaders, and bringing the land under cultivation. The policy adopted did not permit the sale of these lands to persons other than settlers who intended to build houses and establish their homes on the lands. The result of this action has been the settlement of a large area of land which otherwise would have been vacant.

Homestead patents are no longer withheld until the seed grain liability is paid, but are issued after registration with the local registrar of a certificate of the indebtedness, thus permitting the settler, if he so desires, to get his certificate of ownership subject to the seed grain liability.

#### Seed Grain Liability.

Legislation was passed on the suggestion of the Hon. Clifford Sifton to relieve the bondsmen in the case of the seed grain advances which were made to many settlers in the North West Territories since 1885.

When the grants of seed grain were made the Conservative Government not only took the personal security of the applicant for seed, but also compelled him to furnish two bondsmen as security. These liens were at once made a

charge against the lands not only of the person who got the seed, but also those who acted as bondsmen, and have been for years a source of great inconvenience to the bondsmen from the fact that they have been unable to get the patents for their lands without first paying the seed grain indebtedness of their neighbors, for whom they were surety. The result of the change is that only the lands of those who secured the seed are to be held for the debt, the land of the bondsmen being relieved in all cases. By this action hundreds of settlers will be relieved of a charge against their lands, and will be in a position to obtain a clear title, and thus deal with their properties, where they could not do so under the former condition of affairs without paying the indebtedness of others.

Local agents of Dominion Lands may now issue the necessary authority to the person appointed by the intending settler to make homestead entry on his behalf, instead of having to apply to Head with previous regulations.

To meet the convenience of settlers living at a distance from the land office, sub-agents have been appointed at various districts, who are empowered to receive applications for homestead entry, homestead patent, hay permits, timber permits, etc., thus saving the settler the time and expense involved in a trip to the office.

#### Sub-Agents.

These agents are appointed and paid by the Government, and the work performed by them is for the convenience, without expense, of the settlers who may be living at a distance from the Land Office where the entry is to be made. This action has been found to be most satisfactory to settlers in remote districts, and is appreciated by those having to do business with the Government in connection with their entries for lands and other matters with which the Dominion Land Agents usually deal.

Under the law, as it previously stood, School Lands were sold by public auction on the following terms: One-fifth down and the balance in four annual instalments instead of five. This will en-

able many settlers who would not be in a position to pay down a very large amount of money, to acquire these lands without difficulty.

The amendments to the Dominion Lands Act, passed in 1896-97, also contain provisions which permitted of the closing out of several hundreds of claims for lands in Manitoba and the Territories, which for years had caused trouble and annoyance to those interested in or entitled to such lands. Amongst these amendments may be particularly noted the amendment which provided for the issue of patents for lands taken up as homesteads by settlers who had subsequently become insane; the amendment, which permits the Minister to decide whether a woman is the sole head of a family, and entitled to a homestead entry or not, and the amendment which passes title to the heirs or other legal representatives of a deceased person in whose name a patent may issue after his death.

Amendments of 1900 recognizes as residence on homestead time on active service in South Africa, protecting entry whilst settler is away, and allowing patent if disabled.

The amount collected for improvements on abandoned or cancelled places is now paid to the party who made the improvements.

#### **Timber Supply for Settlers.**

Settlers who have not a supply of timber of their own have been granted the right to obtain a permit to cut upon Dominion Lands as much dry timber, of any diameter, as they may require for their own use on their farms for fuel or fencing. Provisions was made for the issue of permits to cut, free of dues, timber for the stitutions and the buildings in connection therewith, and the quantity of building timber which a homesteader is allowed to cut, free of dues, has been increased from 1,800 to 3,000 lineal feet.

Homesteaders on Dominion Lands in the Railway Belt in the Province of British Columbia, have been granted all the timber on their homesteads, excepting in cases where such timber has been disposed of under license or permit.

This will be a source of great satisfaction to the settlers in British Colum-

bia, as it will give them an interest in clearing their lands which they otherwise did not have, and puts them in possession of a large amount of timber which will be their own property.

#### **Hay.**

Provision has been made that no permits to cut hay are to be issued to persons who are not actual farmers until after the latter have been supplied.

#### **Coal.**

The regulations for the granting of permits to mine coal for domestic purposes were made to extend to School Lands as well as Dominion Lands.

The amendments to the Act in 1902, are calculated to facilitate the issue of a patent in certain cases, and also improve the conditions under which homestead duties may be performed.

It will not be necessary now for the personal representative of a settler who completed his homestead duties, but died before becoming a British subject, to obtain a certificate of naturalization before receiving a patent for the land.

#### **Settlers' Effects.**

The record as to the importation of Settlers' Effects is as follows:

Total value of settlers' effects imported for seven years,	
1890 to 1896, inclusive....	\$15,876,440
Total value of settlers' effects imported for seven years,	
1897 to 1903, inclusive ..	25,697,606

Increase last seven years under Liberals ..... 9,821,166

#### **How All This Was Done.**

Previous to 1896 Canada was not attracting immigration to any extent. In 1896 the Liberal Government inaugurated a thorough and systematic propaganda for informing the people of all countries from which desirable immigrants come, of what Canada had to offer. It put the work on the same sort of a basis that a business man would put a commercial enterprise. Each year since this was

done the immigration figures have shown a steady increase.

The most energetic and important work was done in Great Britain and Ireland, and in the United States. And in each case everything was kept up to date and advantage was taken of every new event or development that could be used to promote the work. Take the case of the Old Country. In the first place, newspaper advertising was gone into. Neat display advertisements were inserted in numerous papers. They were gotten up in style much more attractive than the ordinary ads in the Old Country papers and their insertion had a pronounced and immediate effect in the enquiries both personal and by letter received at the Immigration Agencies. Specially attractive literature was prepared and very widely circulated the department getting it into circulation through communication with the clergy of the various churches, the schools, the mayors and officers of cities and towns, parish and village reading rooms and public libraries and organizations of other kinds. The sympathy and co-operation of many public-spirited people were enlisted on national and imperial grounds and advantage was taken of every means that would help to keep Canada in the public eye. Letters and interviews and general information respecting the Dominion were frequently placed in the press.

#### Up-to-date Methods Adopted.

By many up-to-date methods the advantages Canada offers for settlement have been kept constantly before the British public. To take advantage of the interest thus aroused, the Dominion appointed agents at all the smaller points. The sympathies of steamship booking agents were enlisted by giving them appointments as sub-agents. In short, attention has been paid to every detail of the work, and an organization completed that is characterized by system and thoroughness. For instance, from 1881 to 1891, entirely a Conservative period, the Conservative Government spent \$3,075,000, alleged to have been spent in bringing immigrants, and asserted to have

brought into the whole of the Dominion of Canada 886,000 people. But according to the official census returns, also compiled by Conservatives, the entire population of the whole Dominion of Canada increased only 508,000 souls in the ten years from 1881 to 1891, or 378,000 less than the number asserted to have been brought in; and this does not take into account any natural increase of population. The natural increase of population alone, based upon the census of 1881, should have amounted in 1891 to 1,081,202 souls, so that if the figures given by the returns of the Conservatives stating that 886,000 immigrants had come to the whole of Canada, in addition to the natural increases, the census of 1891 should have shown an increase of 1,967,202 people, or a total population of six and a quarter millions instead of scarcely five millions. Thus with their own figures are the Conservatives shown to have failed ignominiously in regard to immigration. In fact a step they themselves took in 1892 in regard to the compilation of immigration statistics constituted an admission that their previous statements were grossly padded. After the exposure of their immigration figures made by their census figures in 1891 they made a change. Beginning in 1892 they compiled for immigration purposes the arrivals at ocean ports only. And the result was a drop in their figures from 91,600 in 1889 to 27,898 in 1892. How many ordinary passengers or travellers were included in the immigration figures of previous years can be guessed at from this fact. And to form a correct idea with respect to even the figures they give of arrivals at ocean ports, one has to keep in mind the absurdities in connection with the other statistics.

#### Padded Tory Immigration Returns.

During the session of Parliament of 1903 some interesting evidence upon oath was secured in regard to the way the Conservative immigration returns were padded. The evidence was given by Capt. Holmes, of Belleville, who had been employed for several years as an immigration agent under the

**Conservative Government.** It should be added that Capt. Holmes was not summoned to the Parliamentary Committee on Agriculture and Colonization, before which he gave his evidence, by Liberals, but was summoned by a Conservative member. The evidence of their own witness confounded the Conservatives, as will be seen by a reference to the official report.

#### The Canadian Arch in London.

But general organization was not all that was done. The Government took special steps in addition. For instance the erection of the Canadian arch for the Coronation proved the greatest single advertisement any country ever had. This arch, made of Canadian farm produce, was the chief attraction in London for weeks before and after the Coronation. Millions of people saw it. Pictures of it were published in the leading papers and magazines of the entire world. Matter relating to it occupied space daily in all the leading English newspapers. The Arch described "Canada as the granary of the Empire" and offered free farms to all who saw it. In fact the Arch advertised Canada, free, as a country of free farms of the best land in the world, in a way that the expenditure of millions of dollars would not have done otherwise.

The Government with characteristic energy followed this up by bringing out a large number of journalists from the leading papers of the Old Land and showing them Canada as it is in harvest time. The articles these people wrote meant a tremendous amount of free advertising for Canada's resources. And this advertising, coming from such men, was of a kind that would convince a hesitating emigrant who discounted the assertions of ordinary immigration literature.

#### The Work of Farmer Delegates.

A notable feature of the Government's propaganda was the sending of fifty farmer delegates to the Old Country. These men spent about a month lecturing and disseminating information about Canada. They were living object lessons of the success that awaits a worker who settles in Canada's

West. Some of them were immigrants of some years before, and returned to their native towns and counties.

#### Work in the United States.

The most remarkable development in connection with immigration to Canada is the influx of Americans. And to the Liberal Government alone should credit be given for this. Previous to 1897 the American immigration to Canada was so small that it was not recorded separately. Thus there practically was no American immigration until the Liberals came into power. It is true that the Conservatives had appointed immigration agents in the United States, but no energy or thought was put into the work, and of course no results. The story of the increase of American immigration is similar to that of the increase of British immigration. As soon as an active propaganda was instituted by the Liberal Government, results began and there has been a marvellous increase each year. A campaign of education has been carried on in the States since 1896. To carry this on a number of agents were appointed, each in charge of a state. Under these there were sub-agents appointed at many points, the sub-agents being paid a commission.

In the first place literature that was correct, bright, and attractive was gotten up. Then attractive advertisements were inserted at intervals in between 7,000 and 8,000 weekly and farm papers. The advertisements asked readers to send for immigration literature, and each one that did, not only got the literature promptly, but got a letter as well and a blank form on which he was asked to write the names of his neighbors who might like to hear of the advantages Canada had to offer. In about every case such forms were filled up, and the result is that the Immigration Department soon secured a huge list of farmers. To all of these Immigration literature was sent. It may be said that the list to-day shows a total of nearly two million names, and is of incalculable value to the Immigration Department. It covers a large proportion of all the farmers in the States, from which immigration is being drawn.

In these, and many other ways were steps taken to place Canada's advantages before the Americans.

### Other Ways Adopted for Advertising Canada.

One means which resulted in a huge amount of advertising at practically no cost was the arranging of trips through the Canadian West of various American State and other Press Associations. Hundreds of editors took in these trips, and each one wrote columns and columns of matter for his paper descriptive of the marvels of the Dominion. This testimony from men with whom the readers were familiar, of course, had a much greater effect than statements from any other authorities could possibly have. A keen interest in Canada soon began to manifest itself, and the Government followed this up by making arrangements with the railways for free transportation for delegates who might be chosen by a body of interested farmers to go to the West and investigate with respect to it. Upon the delegate's return his report was published in the local papers. The result in practically all cases was the emigration of not only the delegate himself and those whom he represented on his trip, but scores of others from the same neighborhood. At intervals reports of these delegates and also letters from settlers, who asserted that the country exceeded their expectations, were published in thousands of papers.

The American State and County Fairs were also taken advantage of to advertise Canada. At many of these fairs exhibits of the products of Western Canada were tastefully arranged. In all cases they were of such a character that they proved very important features of the fair. Agents remained beside the exhibits all the time, and supplied literature and verbal information to the thousands of enquiring farmers. An incident that shows how up-to-date is the management of the Immigration Department is shown by the action taken in 1902, when an Indian Reservation in Oklahoma was being thrown open for settlement. As is now the custom in the United States, thousands of people began to gather in the vicinity of the Re-

serve as the day for opening arrived. It was well known only a small portion of them could get any land, so Canadian Government officials were sent to the place where the thousands were gathered. A big tent was pitched, and the anxious home-seekers told by lecture and literature that Canada was prepared to give all of them a free homestead of better land than they were struggling for. Hundreds of them were thus attracted to the Dominion.

In addition to all this work, the Government at intervals arranged low rate excursions to the West for home-seekers. Well-to-do people took advantage of them, and as all a wide-awake American farmer has to do to become an immigrant is to see what Canada has to offer, the results of the excursions have been most gratifying.

These were the general methods of disseminating information about Canada that have been referred to. This work would in itself be only partially successful if there was not machinery provided for following it up. This machinery is provided for by the central agents and sub-agents. The names of all applicants for literature and information are carefully recorded under post office addresses. These records are gone over at frequent intervals, and the people kept in mind of Canada's advantages, and success other settlers are achieving. The Agents and Sub-Agents also travel from place to place, and armed with these lists personally visit the people, and impress upon them the desirability of emigrating. The work is never allowed to lag.

Finally, when a person decides to emigrate, he is given all possible assistance. Special rates are secured from the railways, American and Canadian, for him, upon the certificate of the immigration agent. He is helped to make all his travelling arrangements, and he is seen off at the railway station. From first to last no step is left undone to carry on the good work.

### United States Lands Not all Taken Up.

In connection with American immigration many efforts have been made to take away from the Department of Im-

migration the credit its energetic policy has earned. The cry most frequently heard is that all the American public lands are taken up, and that the influx of Americans is an overflow of population which would have come to Canada whether any efforts had been made or not. In the first place it is not correct that all the American public domain is exhausted. The United States General Land Office returns show that the United States public lands vacant and subject to entry and settlement in States and Territories, on July 1st, 1901, exclusive of Alaska, total 646,113,468 acres, of which 312,177,366 are surveyed, and 233,936,102 acres are unsurveyed. That this land is also being freely taken up is shown by the following statement from the same official report, showing the public lands disposed of in the United States during a period of ten years:

Year.	Acres.
1892	13,566,552
1893	11,401,654
1894	10,377,225
1895	8,364,300
1896	13,174,071
1897	7,753,607
1898	8,421,704
1899	9,090,023
1900	13,391,415
1901	15,453,449
1902	10,000,000

It is evident that the United States still has an extensive public domain, and that the land cannot be of such a very poor quality, or it would not be taken up so extensively each year. But in addition railways and other corporations in the U.S. own large tracts of land. The outflow of good settlers to Canada has been so great in recent years that these interests have done their utmost to stop it. Several of the big South Western railways effected a complete organization in November, 1902, for this purpose, and subscribed \$50,000 to promote the campaign. They started a press bureau in St. Louis, and have flooded the emigrating states with newspaper articles maligning Canada. The real estate dealers of South Dakota even went so far as to protest to Washington. Minnesota proposes to establish an immigration bureau claiming it has lots of land for settlement, just as good as Canada has.

### Treatment of Settlers.

Not only has the outside work of the Immigration Branch been conducted on business principles and with the object of securing none but first-class agricultural settlers, but most important of all has been the policy of the Minister of the Interior in remedying the evils which always existed under the Conservative Administration, when immigrants were accorded on their arrival the most careless treatment. When the method pursued by the Tories in this regard are known it is not surprising that those who did come to Canada remained only long enough to discover that they were not wanted. Thus many persons, who might otherwise have remained in the country and assisted in its development, becoming disgusted and either leaving the country or becoming uninterested to such an extent that they were of little use either to themselves or the districts where they settled, became practically nothing but fault-finders and agitators. Many wrote letters to papers in the Old Country which had a very damaging effect on the country in the work of inducing settlement. After carefully considering the different phases of the work the Minister of the Interior first decided to encourage a proper system of welcoming and caring for immigrants on their arrival in the country.

### There are no Complaints Now.

This policy has been carried out with such marked success that there are now no complaints regarding the furnishing of information to incoming settlers and the care and attention given to the system by which settlers have been saved great inconvenience. No matter from what portion of the world the immigration has arrived, he has felt that he has come among friends.

One cannot look into the work done by the Immigration Department under Liberal direction without realizing that the tremendous influx Canada is now enjoying of the best classes of British and American settlers is due to the energy and wisdom shown in connection with the work. All talk

about "spontaneous movements" and "would have come anyhow" is simply absurd to anyone acquainted with the facts. It is as clear as day that even Canada's resources could never attract people unless the people were made familiar with them. A campaign of education was therefore necessary to show the immigrating peoples what Canada had to offer. Such a campaign was never carried out under the Conservatives but was inaugurated by the Liberals on modern and novel lines in the Old Country and in the United States. As soon as this was done the inflow of immigrants began to increase. The work has been elaborated and extended and the influx has grown larger each year. The one thing Canada, with her unequalled resources, needed to attract immigrants was the dissemination of knowledge about her resources. The Liberal Government did this effectively. Therefore to the Liberal Government belongs the credit for the spectacle we have to-day of steamship lines and railway companies being unable to provide accommodation for all who are anxious to come to Canada and secure free homesteads.

There is no doubt that much of the general prosperity of the country during the last five years has been due to the development of the West.

#### Conservative Criticism.

The Conservative Opposition at the beginning of the vigorous policy inaugurated by the Honourable Clifford Sifton to settle the vacant lands of Manitoba and the North West Territories, took the position that the Government was simply trying to find

places for its friends, and that it could not secure large numbers of people.

Of the special work undertaken, particularly in the United States and on the Continent of Europe, the returns show that at first there was a larger proportion of European Immigration than that of the others, and Conservative criticism of the Government's policy was in the way of creating prejudice against the class of people who were coming into the country, although practically all the immigrants who were encouraged to come to Canada were of the agricultural class, and only from agricultural districts of various European Countries.

In 1893, Sir Charles Tupper, then High Commissioner for Canada in London, after investigations of various nationalities among whom his office was operating, says, under the head of Continental Emigration:

"There is no doubt, however, that the settlement of Germans, Scandinavians, Austrians (Galicians), in the different parts of the Dominion are increasing, and that class of immigration is of the most satisfactory character."

It has been proved that when these people have settled down on the land, many of them on farms that were formerly passed over by Canadians who went to Manitoba and the North West Territories, they have become prosperous beyond all expectation.

The Conservative criticism further suggested that the only settler who would be satisfactory to Canada would be a large proportion of British. But the Liberal policy soon so increased the British immigration that no ground was left for criticism. The following table shows this:

## IMMIGRATION STATISTICS UNDER LIBERAL RULE.

	1897	1898	1899	1900	Total for calendar years 1897 to 1900 inclusive.	1901 (fiscal)	1902 (fiscal)	1903 (fiscal)
English and Welsh	9,393	9,475	8,576	8,184	35,639	9,401	13,093	32,510
Scotch	1,239	1,400	1,337	1,411	5,387	1,176	2,853	7,046
Irish	751	733	747	765	2,949	933	1,311	2,298
Galicians	3,917	4,010	6,700	6,593	21,326	4,702	6,550	10,141
Germans	636	563	780	705	2,691	984	1,048	1,587
Hungarians	540	740	276	530	806	546	1,048	2,156
Austrians	1	1	131	248	1,389	228	320	798
Scandinavians	718	724	1,526	2,380	5,638	1,750	2,454	5,448
Dunkirkers	1	1	7,350	7,350	7,350	1	1	1
French and Belgians	740	545	413	483	2,181	492	654	1,240
Russians & Finns	1	1	735	2,067	3,603	1,726	3,759	7,277
United States	712	9,119	11,945	15,500	37,276	17,987	26,388	49,473
Miscellaneous	4,370	3,703	4,027	5,831	15,027	8,924	7,902	8,153
<b>Total</b>	<b>20,016</b>	<b>30,742</b>	<b>44,543</b>	<b>44,697</b>	<b>141,261</b>	<b>49,149</b>	<b>67,379</b>	<b>128,364</b>

Summarizing the figures for the fiscal year 1902-03, we have—

British	41,792
American	49,473
Continental, etc.	37,099
<b>Total</b>	<b>128,364</b>

With the large returns that have been made showing that the English settlers for the present year exceed all the European Countries combined, the criticism now has been changed to condemn the Government for the alleged lack of accommodation to provide for these people.

First, the Conservatives alleged that the Government was unable to secure settlers at all in numbers, second, the class of settlers who were secured were alleged to be of an inferior type, and third, these two criticisms having fallen to the ground, the Government was charged with not being able to cope with the large numbers of people who are coming in.

There never has been any ground whatever for the criticism as to the Government's ability to look after the people who have come into the Country, and to-day it has accommodation, in its large Immigrant Halls, as well as tent accommodation, to provide for a special rush of immigrants, for twenty or twenty-five thousand people,

two or three times the number who are likely to come in within a given time.

A further criticism that has developed within a year or two has reference to the receiving of diseased immigrants.

It is asserted, on alleged authority of United States Government Officials, that large numbers of immigrants came to Canada because of the lax regulations with regard to medical examination at the sea-ports, many who are destined for the United States coming to the Canadian ports with the idea of later on crossing over to the United States.

#### Eulogies of Hon. Mr. Sifton.

The London *Morning Post*, of Sept. 8, 1904, referring to the fact that for the year ending June 1, 1904, 50,000 emigrants from Britain settled in Canada, says: "But for the efforts of Hon. Mr. Sifton and his subordinates during the last few years, the greater part of this army of empire-builders would now

be settled in the United States, and their help in time of war, and what is even more important, their purchasing power at all times, would have been lost to us."

The London, Eng. *Globe* of Sept. 7, 1904, referring to the Canadian Government's scheme of supplying maps for English schools, says: "Canada continues to justify its reputation as the best advertised department of the empire."

#### The Quality of Immigration.

Not only has the Liberal Government greatly increased the number of immigrants arriving in the country, but it has improved the quality. The great bulk of our immigration now is Old Country and American. They are admittedly the best that can be got for a country like Canada, because there are practically no differences of religion, language, literature, sentiment or manner of living.

The Immigration Agents have specified instructions to encourage none but the best class of people, physically, and mentally, to come to Canada, and besides the Government carefully inspects all immigrants as they arrive, and deports criminals, diseased persons, and all who would not make good settlers.

#### Continental Immigration.

The Liberal Government found on taking office a general system in operation of paying to the steamship booking agents in Continental Europe a bonus of \$1 per head for each adult settler over 18 years of age; and \$1.75 for each adult, and 67c for each minor from Great Britain settling in the Dominion of Canada. This system was established under the Tory administration,

and finding it impossible to break in upon a system so strongly established, together with the fact that much greater money inducements in the way of free and assisted passages were offered by other countries, such as Australia and South America, the arrangement was continued by the present Government.

#### Prohibition of Unfit Immigrants.

By an amendment of the Immigration Act of 1902, authority was given to the

Government to provide regulations to prohibit the landing in Canada of persons suffering from any dangerous, loathsome, or infectious malady, whether such immigrant or passenger intends to settle in Canada or only intends to pass through Canada and to settle in some other country.

Under the provisions of this Act an Order-in-Council was passed, on the 26th of July, 1902, providing for the issue of a Proclamation by which the Minister of the Interior was authorized to give any official to whom he may intrust, such instructions as he deemed advisable and necessary to carry out the terms and intention of the provisions of the Act.

Within six months of the date of bringing into force of the regulation, 312 persons were deported, 191 of whom were destined for points in Canada, and 121 in the United States.

The Canadian regulations are to-day perhaps as strict, if not stricter, than are those of the United States, and while criticism is being continued, it refers only to past years before the regulations were brought into effect, and the policy of the Laurier Government is just as firm with regard to this matter as it believes the interests of the Country demands, and will be enforced in the strictest way.

The Conservatives are fond of quoting extracts from the United States Immigration reports, especially as to the class of immigrants who endeavor to reach the United States through Canada. Therefore, the following extract from the report of 1902-3, of Robert Watchorn, United States Commissioner of Immigration at Montreal, which is to be found on page 47 of the U. S. report is worth quoting. Mr. Watchorn says:

"The Provincial and Dominion Governments have been exerting themselves most actively to induce immigration of the 'fitter kind' and so well have they succeeded that all shipping facilities have been utilized to their utmost capacity to accommodate agricultural settlers, principally for the North West, to the almost total exclusion of passengers from the continent of Europe.....It is only proper to state that the large number having

arrived since January 1st, 1903, have been for the most part of an exceptionally fine class.

"A preponderance of agriculturalists has characterized every ship-load for the time specified and they have gone to the Northwestern Provinces in search of homes on the rich and inviting prairies of that vast country."

#### The Money Spent upon Immigration

In some quarters the Government is criticized because of the amounts of money spent upon immigration. Now such criticism is really an arraignment of the Conservative party, because if the expenditure and the results are considered with respect to both parties it will be found that the cost of immigration is very much less under the Liberals than it was under the Conservatives. A fair comparison cannot be made with regard to the returns of arrivals because of the shameless way the Conservative figures were padded. But a comparison can be made on the basis of homestead entries because there can be no padding in regard to them and besides they show whether the people arriving in the Country are bona fide immigrants and are settling in the Country. From 1878-79 to 1895-96, the Conservatives spent over \$4, 299,000 on immigration. In that time there were 62,661 homestead entries and 24,319 cancellations, leaving the actual number of bona fide homesteads at 38,342. The cost of securing the above homesteads was therefore about \$112 each. Under the Liberals the expenditure upon immigration has been up to the end of the fiscal year, 1902-3, \$2,665,000. During that time there have been 75,569 homestead entries and 10,745 cancellations, leaving the net number at 64,824 homesteads. The cost was therefore about \$41 per homestead compared with a cost of \$112 per homestead under the Conservatives.

Another charge that the Conservatives sometimes make in regard to immigration is that the Dominion pays to the steamships bounties upon many immigrants who go to the United States, simply passing through Canada. The charge has absolutely no

foundation because by an arrangement with the American authorities the Canadian officials are furnished with a list of all immigrants who enter the United States or try to enter the United States from Canada. When the Steamship Companies present their lists of names on which they claim bounty, the lists are checked over by means of the American list, the result being that the bounty is paid only on bona fide immigrants who locate in Canada.

#### The Barr Colony

The criticism of the Government with respect to the Barr Colony, has been made on a wrong basis, and is rather the outcome of ignorance or a desire to find fault than a genuine criticism of the position.

The Rev. I. M. Barr was unknown to the Department as a promoter of immigration or colonization until the autumn of 1902. He came to Ottawa, made application for a certain tract of land which he had visited, to be set apart for 400 British families whom he intended to bring to Canada in the early spring. His representations as to the number of people were based upon fact and were therefore accepted, and as no settlers were likely to come into the country during the winter months a reservation of the homesteads within a certain number of townships was made for this colony, the main condition being that Mr. Barr should file with the Department a list of persons who were to form his party together with the homestead entry fee of \$10 in each case, on or before the 15th February, 1903. It was found, however, that the lists of names, and the money sent forward by

Mr. Barr far exceeded what would be acquired to absorb all the homesteads in the tract set apart, and he applied for additional land so that all the settlers who were coming out with him could be kept in one locality. One of the important conditions of the reservation of this land for Mr. Barr was that no charge should be made against the homesteaders for any cause whatever excepting the amount of the Government

fee which is necessary in connection with all entries and amounts to \$10 in each case.

The Department had no arrangement with Mr. Barr as to any bonus or commission to be paid by the Government to him in consideration of his bringing out these people, notwithstanding the statements which appear in papers that the Department was paying him a very large commission for his work. The class of settlers brought out by Mr. Barr was generally commended as being very superior and equal to any class of settlers which have ever come into the country. On their arrival the Department in order to prevent any real cause for complaint took charge of them, and personally conducted them from St. John, where they landed right through to their destination, appointed two Farm Instructors to instruct them in the class of building they should erect and also in connection with the breaking of land and cultivation and all other matters of importance to new settlers.

Many of the settlers became dissatisfied with Mr. Barr through the failure to make proper arrangements for their convenience across the Atlantic Ocean and also in connection with certain fees which he, contrary to the distinct arrangement with the Department, charged these people for services which he contemplated rendering to them. It is understood that when he left the Colony he arranged for there payment these people of a certain portion of the charges which had been made.

The only connection the Department has had with this Colony has been to see that they have been properly looked after and given proper direction as to the work they are to do. The settlers have not all located in the tract which was set apart for them, many preferring to locate near railway stations, and a large number have sought employment with farmers in order to obtain a knowledge of the country rather than take up homesteads without experience.

#### The Mining Industry.

In the Department of Mining and Metallurgy, the Government has shown a keen interest.

#### A Department of Mines.

The recent organization of a Department of Mines, under the direction of Dr. Haanel, was a forward step in the right direction.

The establishment of an assay office at Vancouver was another timely act on the part of the Government.

Mining in the Yukon has been benefitted by placing on the free list of the tariff machinery and appliances of a kind not made in Canada, for use in alluvial or placer mining.

The Government also succeeded in bringing about a considerable reduction in the freight rates over the White Pass and Yukon Railway. This also has greatly benefitted the Yukon in mining and other lines.

By means of bounties assistance has been given to the silver lead industry of British Columbia, which had long been in a depressed condition. It is predicted by mining authorities that this action on the part of the Government will enable the rich mines of British Columbia to be operated to advantage.

The development that has taken place in recent years in the iron and steel industries is due in a great measure to the provisions made by the Government for aiding these industries by way of bounty, which amounted in 1903 to \$2,199,342.

The more recent action of the Government in placing a duty of \$7 on imported steel rails will greatly stimulate this industry at different points in Canada.

#### The Expansion of Canada.

This is Canada's growing time, and it is fortunate that there is in power a Government fully alive to this fact. Its policy has, therefore, been one of expansion.

#### The Yukon.

The development of the Yukon is an instance in point. A part of the country that has produced 100 million dollars worth of gold deserves some Governmental consideration, and though the Conservatives severely criticized the Government for its expenditures there when the new gold district was opened up, yet to-day the Yukon pays its own way. Of a million-and-a-half there expended, we have received every penny back. In ad-

dition, law and order have been firmly established, and there is every prospect for a bright future for that district.

#### Hudson's Bay.

The Government has also been alert in regard to Canada's rights in and around Hudson's Bay. Government steamers have been sent there of recent years, and the steamer "Arctic" left Quebec a few weeks ago, having on board, among others, a detachment of Mounted Police, who will open up a new post on the shores of the Bay. A Customs Office will also be there maintained, and other steps taken to guard and reap the benefit of our possession of this vast inland sea.

#### The Mounted Police in the Arctic Ocean.

On Herchell's Island, in the Arctic Sea, is another recently established post of the Mounted Police, and here, in the land of the Midnight Sun, our dauntless soldier-police are upholding Canadian rights.

#### New Surveys in the Far North.

Following up the setting apart of the Far North into districts, the Government continues to pursue an active policy of surveys. To that desirable end \$1,659,00 was spent in 1903 on surveys of new districts.

#### Canada at the Great Fairs.

The exploitation of Canada at the Great World's Fairs of recent years has been another wise move on the part of the Government. At Paris, Glasgow, Buffalo, Wolverhampton, Cork, Japan and St. Louis, many millions of people have had a lesson in the resources and capabilities of the Dominion. All these expenditures have been wisely made, and have already borne good fruit.

The substantial aids given to the Dominion Exhibitions at Toronto in 1903, and Winnipeg in 1904, have also been beneficial expenditures.

#### A Recent Forward Step.

Among the latest steps taken by the Liberal Government to facilitate the settlement of the West is the policy to be followed in connection with the disposal of the millions of acres of odd-numbered sections of land, now under the control of the Government, through the arrangement which completes the selection of the P. R. land grant.

It is proposed to sell these lands, not to speculators, but to actual settlers in residence on adjoining homesteads. Such homesteaders will have the first opportunity of purchasing 160 acres from an odd section adjoining them.

#### The Land for the Settler.

The policy of the Liberal Government is, and has been, to dispose of Dominion arable lands to actual settlers only, and not to speculators, as was the case under Tory rule. The principle of granting large tracts of arable land for railroad purposes has been abandoned. The public lands are now held for entry as homestead, and for sale subject to homestead conditions,—not an acre has been otherwise disposed of.

The Conservatives gave away to railroad companies no less than 66 million acres of land. At the nominal value of \$1.50 per acre, such lands would be worth \$99,000,000. The granting of such land subsidies has greatly retarded the progress of the West, by reason of the fact that lands so held by railway companies, are locked up from sale until the industry of the surrounding settlers give them such a value as to enable the companies to realize a big profit.

#### Sir Richard Cartwright on Immigration.

(From speech on budget in House of Commons, June 8, 1904.)

Take the sums spent for immigration. You will add to that sum the expenditure for additional government in the Northwest Territories. We have been repaid tenfold; I venture to say that we have been repaid one hundred fold for all the additional expenditure which is incurred by my hon. friend the Minister of the Interior (Mr. Sifton) or by the government at large for either of these particular purposes. Take settlers' effects for the last five years, mere settlers' effects, which are to all intents and purposes a free gift to the people of Canada. Settlers' effects in these five years were received as follows:

Year.	Value.
1899	\$2,800,000
1900	3,065,000
1901	3,740,000
1902	4,580,000
1903	6,442,000

Being a total roughly of some \$20,000,000 of a free gift to the people of Canada in the shape of settlers' effects brought in by the people for whom we have been expending this trifling sum, and mark you, that amount is probably not one-fifth of the capital which these people are bring-

ing into this country. One of the most hopeful features of the present immigration is that it is very largely composed of people well to do in their own country, who not merely bring in settlers' effects but a large amount of capital to promote the settlement and development of our country. But that is a trifle. What of the immigrants themselves? What cash value will the honorable House put on the annual addition to our population of 100,000 immigrants? What annual addition to our income would it represent? What does it mean if we get 300,000 settlers, and most of these of the very best class? It is indeed particularly interesting when you consider the class of immigrants which is now going into the United States to examine the returns of my hon. friend the Minister of the Interior in respect to the nationality of the men who are now settling in Canada.

### Analysis of Our Immigration

I have not time to go through them as fully as I would wish, but I will take simply this last year, in which 128,000 immigrants were settled in Canada. Of these 128,000, there came from Great Britain 41,000, from the United States, 49,000; about 10,000 from the Scandinavian countries, from Germany and from France and from Belgium; first-class immigrants all of them. Out of that 128,000 over 100,000 were immigrants from countries of the highest standing in the world. How does that compare with the immigration now pouring into the United States? I have here the Statesman's Year-book for 1904, and I see that while eighty per cent. at least of the immigrants coming into Canada belong to the northern races, the best races of Europe; of this total of 850,000 immigrants to the United States last year, scarcely more than 180,000, or twenty per cent., came from the British Isles, Germany, Sweden, Norway and other countries I have spoken of. We get eighty per cent. of immigrants of the first-class, and our friends on the other side of the border are receiving about twenty per cent. of an equally valuable class of immigrants.

### The True way to Increase our Wealth

I may add further—and having reference to the value of these immigrants it is a matter of first-rate importance—that the returns, which I have also here, go to show that an enormous proportion of these immigrants which we get, far more than the average proportion in an ordinary country, are able-bodied young men or able-bodied young women. That is the true way to increase the wealth of this country. If you can put 100,000 such families in the Northwest; if you can give them lands; if you can provide the facilities for transport, it is almost impossible to estimate how much you will add to the national income and how much you will add to the volume of trade, domestic as well as foreign.

The wheel has revolved. We are getting back to-day what we lost in the eighteen years from 1878 to 1896; we are getting back what we lost, and we are keeping what we get.

### The Timber Policy.

The policy of the late Government with regard to the disposal of timber berths in Manitoba and the North-West Territories is worthy of note, by way of comparison.

For many years the Conservative Government had no policy regarding the sale of timber except to sell to persons who might make application for a berth, which was granted without the payment of any sum whatever but the ordinary dues.

The result of this was that it allowed friends of the Government to hold large tracts of timber for purely speculative purposes without having to make any investment whatever. Many of the leading Conservative politicians of that day were beneficiaries under this policy.

## CHAPTER XIX.

### THE CENSUS OF 1901.

#### THE BEST EVER TAKEN IN CANADA.

##### Tory Charges Disproved.

One of the stock charges of the Opposition relates to the cost of the census of 1901. It is asserted in their campaign sheet:—(1) That the cost is twice as much as in 1891; (2) That the census is the slowest on record; (3) That it is probably the most incorrect ever taken in Canada, and (4) That these results are mainly owing to the fact that "the Government did not employ the Dominion Statistician, an admittedly competent man who had taken the Census of 1891, and who thoroughly understood the business."

##### Reasons for the Increased Cost.

These charges can be easily met. In dealing with the matter of cost, account should be taken of the quantity and quality of work done. A brick house will cost more than a log shanty; they cannot be compared on even terms, and neither can the censuses of 1891 and 1901.

In the census of 1891, nine schedules were used and 216 questions asked; in that of 1901, 15 schedules were used and 657 questions asked. Three times more work was required to be done taking the records throughout the country and compiling them at the head office in 1901 than in 1891; and while the ratio of work on the two censuses is as one to three, the ratio of cost is only as one to two.

Besides, in 1891 the population of the far northern territories of Ungava, Keewatin, Athabaska, Mackenzie and Yukon was ascertained by estimates or guesses made in the Census Office at Ottawa, and in 1901 it was taken by enumerators who traversed the regions at large cost for service and expenses and took the records in the regular way. In Manitoba, Assiniboina, Saskatchewan, Alberta and

British Columbia also the recent rush of settlers into new and remote regions added largely to the cost of the work.

As to the charge of slowness, the first volume of the census of 1901, which deals with Population, was published in December, 1903, three months earlier than the corresponding volume of the census of 1891. The former consists of 513 pages with eighteen tables of 211 columns, and the latter of 403 pages with only six tables of 83 columns.

##### New Information in the 1901 Census.

In three important particulars detailed information was gathered and tabulated for the census of 1901 which is wholly wanting for the census of 1891, namely on the origins or races of the people, on the years in which immigrants arrived in the country, and on the citizenship of immigrants.

Under the head of citizenship the census of 1901 shows that of the total of 685,000 immigrants living in the Dominion 150,000 or 22 per cent of the whole arrived during the five years 1896 to 1st April, 1901, and the present Government was in power during nearly the whole of that time. It shows also that all but 125,000 of the foreign born immigrants had become naturalized citizens of Canada when the census was taken—a very important record in view of the fact that no one of foreign birth and allegiance can become a citizen of Canada until after a residence of three years in the country.

The volume of the census of 1891 on Manufactures was not published until 1895, and that on Agriculture not until 1897. The corresponding volumes for the census of 1901 were completed in December, 1903, and will be published in 1904; and the statistics cover a vastly larger field of investigation.

If the tables of 1901 relating to the agricultural industry were to be published by townships, parishes and sub-districts as were those of 1891, they would fill seven volumes of 4,400 pages, as against less than 350 pages for all the agricultural tables of 1891. And in the case of manufactures the disproportion of work undertaken and done is fully as great as in agriculture.

These statements disprove the charge that the census of 1901 is "the slowest on record", and they also serve to show why the cost of it should be "more than any former census in Canada."

#### The Correctness of the 1901 Census.

The charge that the census of 1901 is probably the most incorrect ever taken in Canada and "that the first volume abounds in mistakes" rests on the single allegation that "in the Province of New Brunswick one denomination complains with justice that about a third of the adherents were made to disappear," and even that allegation has no basis of fact on which the rest when it is examined in detail.

#### Mistakes in Census of 1891.

The attack upon the census of 1901 as a work abounding in mistakes and as "probably the most incorrect ever taken in Canada" suggests comparison with the work of 1891. Many errors, for instance, were made in the details of "the religions of the people."

The Mennonites of Manitoba for example, were included among Baptists in the census of 1891 to the number of more than 10,000, and the error was not discovered of 1901, when comparison of the numbers led to inquiry.

In 1891 the census took no account of ex-<sup>pt</sup> in one particular. There was a column for recording French-Canadians. But this term which no doubt was intended to include all persons of French origin—had only a local application. Many persons of French origin in the Maritime Provinces, where they are known as Acadians, were not enumerated in the column for French-Canadians and the result showed an actual falling off in persons of the French race there.

In the 1891 census the number of French-Canadians showed an undercount of not less than 15,000 persons of French origin for that census.

It has been said by the Opposition that the census of 1901 was not a full count of the people, and that many persons were missed through the carelessness or inaccuracy of enumerators, or through want of proper instructions being given by the census office. Accusations of this sort led to careful inquiry being made. The result was to disprove the accusations in almost every particular, and to show that the census of 1901 had been very carefully taken.

But in the course of the investigations it was found that large discrepancies occurred in many census districts between 1891 and 1901, which appeared inexplicable by any known facts on the growth and movement of population in the country during the decade.

It was conclusively established that numbers of persons had been enumerated as of Ontario in 1891 who had left the country more than one year before the time of census taking—some of them several years before that time. In the districts of South Norfolk and Cornwall and Stormont, the proportion of this class was relatively large.

#### Mistakes in the Quebec Census of 1901.

In the Province of Quebec the investigation was more easily conducted, for in parishes in which nearly the whole population consists of French-Canadians of the Roman Catholic faith, an accurate comparison could be made of the Government census, and of the parochial census, which is taken every year by the parish priests. The parochial census takes account of every family and of every man, woman and child in each family who are of the Roman Catholic faith. It does not, however, take account of persons who have left the country, being a *de facto* census; whereas, the Government census under the instructions given to enumerators took all persons not more than one year away from home, unless it was ascertained that they did not intend to return. The Government census accordingly would be

larger than the parochial census if correctly taken, to a limited extent, and the investigation for 21 counties of the Province for the census of 1901 showed this to be the case.

The first inquiry concerned the census of 1901, and was made for twenty-one counties, and showed that the Government census of 1901 was 8,097 more than the parochial census which had been taken three months previously.

An investigation was then made in the same way of the census of 1891 for the same counties, which showed that the Government census exceeded the parochial census by 40,615.

A further investigation was made with greater detail in a number of counties selected at random for the purpose. The result of this investigation showed that the plan usually adopted by the enumerator was to procure from the head of the family the names of all his children, and they were registered whether present or absent. In the case of daughters who had married, persons in other parishes, or municipalities in the Province, or even in the United States, the enumerator would often enter in the book all the sons-in-law of the father, although in many instances they had never lived with his family or in the parish, and sometimes the children of such persons living in the United States were recorded in the same way. In many other instances fictitious names were entered in the schedules, and the same persons were frequently entered twice by the same enumerator. Persons who had left the country years previous to the census of 1891 were entered in the schedules, and little or no attention appears to have been given to the instruction which limited the time of absence to 12 months.

These facts are well established by the reports of parish priests and others who made the investigation for the census office. The papers relating to this investigation were laid on the table of the House of Commons by Sir Richard Cartwright in the session of 1902, and every opportunity was given to challenge them, but up to the present time no successful attempt has been made.

It is true that the officer who had

charge of the census of 1891 has recently published a reply. His statement is that while 40,000 looks like a large number improperly added to the numbering of the people in 1891, "you must remember that there were 4,400 enumerators, and if everyone took down an average of only ten names you would have 44,000." This answer, however, ignores the very important fact that the 40,000 which appear to have been improperly added, and to which Sir Richard Cartwright had referred, were all entered in the schedules of 21 counties in the Province of Quebec, where the number of enumerators in 1891 was only 370.

The Dominion statistician's answer, therefore, is misleading in a very important particular, for instead of an average of ten names for each of 4,000 enumerators it would be an average of 108 for 370.

If the same average of names improperly added to the schedules was maintained for the whole Dominion as for the 21 counties in Quebec under consideration, the number improperly added to the schedules would reach 475,000.

#### The Census of Manufactures in 1891.

Strictly speaking it cannot be considered as a factory census, for it embraced all the hand-trades of the country, with statistics for thousands of shops or rooms in which only a single man or woman was employed.

Taking workshops employing less than five persons, there were in the blacksmithing industry, for example, 9,350 so-called establishments with 11,547 men, and the total value of their products was \$8,363,000. In the boot and shoe industry there were 5,129 establishments with 6,410 persons, and products of \$6,285,000. And in the weaving industry there were 2,068 establishments, employing 2,209 persons, and having an output of \$453,000.

In this way the manufacturing industry was magnified in 1891, and 81 per cent. of the establishments employed less than five workmen each—ranging from one to four, and in a great majority of cases the owners were numbered with the workmen.

The whole number of establishments employing five persons and upwards in 1891 was 14,063, and the value of products after corrections for errors and duplications are made, was \$368,696,000.

The errors referred to were discovered by accident, and there may be many others. In the city of Montreal alone three establishments were enumerated twice over, which swelled the volume of manufacturing statistics there by 636 employees, \$237,800 in wages, and \$5,736,000 in value of products.

The census of manufactures in 1901 was taken for establishments employing five hands and upwards only, and comparing the statistics with those of like establishments in 1891, it is ascertained that while the number of factories had increased by 585, the value of products in the census year had increased by \$112,356,000.

#### The Census of Agriculture for 1891.

Table I. of volume I., census of 1891, gives the total areas of census districts in acres, and table XVI., of volume II. gives the areas of land occupied. It is not conceivable that the latter can be larger than the former. In nearly every district in Canada it is almost certain to be less, owing to portions of the land being without value for farming or any other purposes. But taking 23 of the oldest settled counties in Quebec, the following records of total and occupied areas are found in the first and second volumes of the census of 1891; 23 counties, total acreage 2,624,003; total area of occupied land, 3,015,083 acres.

Such a result is simply impossible. The mistake arose through not reducing the arpont of French Canada to acres.

A more serious mistake was made in the table showing the areas of land in crops for the various provinces and census districts in volume II. of 1891 to aggregate 19,904,826 acres, which exceeds the actual area, summed up from the details of crops in volume IV., by nearly four-and-a-quarter million acres for the whole Dominion.

Another of the mistakes of the agricultural census of Quebec in 1891, which runs through the crop tables of volume

IV., is the failure to convert minots into bushels; and as the minot is larger than the bushel the effect is to show a reduced quantity of product for an enlarged area of land in crop.

It would be easy to multiply instances of errors in the census of 1891, but to give more is needless. The census taking of 1891 was wrong in method and grossly wrong in results.

#### A Comparison of the Two Censuses.

In challenging a comparison of the two censuses, the Tory party have brought upon themselves the conclusive proof of the gross errors in the census, for which they were responsible. An enumeration such as was made in 1891 could be made very cheaply; a careful, accurate enumeration such as was made in 1901 necessarily cost more, entirely apart from the greater amount of information asked for and obtained, and the greater area for which the enumeration was made. The compilation in 1891 is shown to have been slipshod, inaccurate and incomplete; the compilation in 1901 has been checked over and over to ensure absolute accuracy, and has been thoroughly scrutinized without any discovery of defects. Such a compilation necessarily required more time, more hands, and more money, and yet it has been accomplished in less time, though at a greater expenditure of money.

Statistics are worthless unless accurate. The census of 1901 may be taken as a new departure, and the starting point for accurate statistical information in regard to this Dominion, and as such redounds to the credit of the Government under whose auspices it was taken, and to the officials who managed it.

#### The Census of 1891 a Fraud.

Sir Richard Cartwright, in a speech in Association Hall, Toronto, Dec. 10, 1903, said:

I am happy to be able to tell you, on the most excellent authority, that the growth of population in Canada is keeping pace, and keeping pace well, with the extraordinary growth in material prosperity, of which I have just laid the evidence before you. It is true, sir, that this has been partially concealed. I have had occasion in my place in Parliament and else-

where to point out to other audiences, as I now point out to you, that the census of 1891 was in almost all respects a deliberate fraud.

Sir, facts are coming to light, coming to light too slowly, coming to light in some respects too late; but those facts are clear, those facts are manifest. Some eighteen months ago, standing in the House, I laid on the table of Parliament the minutely detailed statements, which showed that in twenty constituencies in Quebec frauds to the extent of 40,000 people had taken place in those ridings alone at the time of the census. There is now but too much reason to believe that the frauds which took place in these twenty counties were duplicated, were perhaps increased even, all over Ontario, all over the Maritime Provinces—whether or not in the Northwest I cannot say.

#### The Evidence of Fraud.

Sir, these are the first of a series of accumulating, the first of a series of facts in the census of the United States which I have had the opportunity of comparing with our own. They are accumulating in connection with our nominal statistics; they are accumulating till more in the course of researches which are being carried on under the supervision of Mr. Fisher, when our census enumerators are obliged to compare and to check their return with the returns which were made in 1891. Sir, I am sorry to say that throughout there is evidence of the extremest and most criminal carelessness and worse on the part of those who compiled the census statistics of 1891. I cannot on the present occasion enter into a minute analysis and give you all the details which have led to this conclusion gen-

erally, that there is the strongest possible ground to believe that the nominal population of Canada was fraudulently increased by 450,000 or 500,000 if not more, in the census returns of 1891, and that, to a great extent, the Liberal party were thereby defrauded of the increase which really did take place after they entered the office in 1896. But I will give you one or two brief illustrations which have been put into my hands very lately, to show, as I have said, the extreme carelessness with which these matters were conducted. Sir, if there is one thing more than another that ought to be carefully attended to, it is in our agricultural statistics in a country like Canada.

#### Cropped Untilled Acres.

Nevertheless, sir, we found very lately, on examining the returns of the quantity of land under crop, that in the census of 1891 the then enumerators—or perhaps I am wrong in saying the enumerators—but the census authorities at any rate, had returned 19,000,000 acres as being under crop, when the schedules in the possession of the Census Department showed that there was not more than 15,500,000. That is to say that they had added four and a half millions to the nominal acreage under crop throughout the Dominion of Canada. Sir, that is a very bad showing, and that is but in keeping with the great number of other facts, which have recently been brought to light in connection with this same census; and which, taken together, much more than justify my statement that there has been the greatest and most criminal negligence displayed in the taking of that census from first to last.

## CHAPTER XX.

### THE MILITIA DEPARTMENT.

#### WHAT THE GOVERNMENT HAVE DONE FOR THE MILITIA.

##### An Efficient Fighting Force.

To popularize the Militia of Canada, to convert it into an efficient fighting force, to arm it with modern rifles and guns, to teach our young men how to shoot straight, and to establish all these branches essential to a defence force in order to take the field, these have been the aims of the Laurier Government, and nobly have these aims been carried out. Their predecessors were in office for eighteen years, and when they went out the force was practically in a state of stagnation. The Laurier Government have been in power for a little over eight years, and during that time have accomplished wonders for the force.

##### A Practical Soldier's Testimony.

For the purpose of ascertaining what has been done in the eight years referred to, let us take the evidence of a competent military critic, and no one will deny the fact that Lieut.-Colonel A. T. Thompson, member for Haldimand, is a good soldier and an enthusiastic one too. The testimony of one practical soldier, who is just as free with criticism as with praise, is preferable to the comments of scores of theorists. Let us see what Lieut.-Colonel Thompson has to say. Speaking not later than July 20th last, in the House of Commons, the gallant officer thus enumerated the achievements of Sir Frederick Borden, Minister of Militia, aided by his colleagues.

It was reserved for this Government, under the energetic and able management of the present hon. Minister of Militia and Defence, to call the Militia out every year but two, I think, in full strength, and in these two years in very tolerable strength, the officers, and non-commissioned officers and a larger portion of the rank and file being drilled during these two years.

##### Medals for Veterans.

It was reserved for this Government to obtain for the Fenian raid veterans, medals which they

had earned a third of a century ago.

It was reserved for this Government to obtain a long service medal for every officer and man who has served 20 years in the Militia.

##### Life Commands Terminated.

It was reserved for this Government to put an end to the life and good behaviour tenure of commanding officers, something utterly subversive of the best interests of the Militia, because we found in regiment after regiment Colonels who had retained their commands for periods ranging from twenty to twenty-five years, with the result that there was no promotion in the ranks prior to that of the Commanding officer to be looked forward to, and it was impossible to get men to go in and take an interest in such a force as that.

##### Cadet Corps Developed.

It was reserved for this government to develop this system of cadet corps. To-day, we have thousands of boys coming up in the schools all over the country getting their preliminary drill and their training in the art of rifle shooting in consequence of the energy and thoughtfulness of this government and entirely in the absence of anything being done under the old government.

##### Army Medical Corps Organized.

We have organized an army medical corps. We have a splendid army medical staff and bearer corps. Whereas in the past hon. gentlemen opposite had their regimental surgeon with his little pill-box, we have this army medical corps with field hospitals and stretchers for the wounded men and officers of the militia force, all of which are necessary to an army in the field.

##### Intelligence System Created.

We have an intelligence department which we were before entirely without. This department is made up of picked men, selected from the militia in various parts of Canada to collect information which would be of the greatest practical use in case the force was called out upon active service.

##### Engineer Corps Formed.

We have organized the engineers, another corps, that cannot be improvised. We may have had a few in the old days, very few, but

to-day we have an engineer corps which is a most useful part of the militia force and in the city of Toronto that corps has been organized.

### Rifle Clubs and Rifle Ranges.

We have an Army Service Corps, under capable management, which ministers to the material wants of the soldiers when in camp, and is a very essential department of an army in the field.

What government was it that first introduced rifle clubs and spent thousands of dollars upon rifle ranges upon which these riflemen could practise? It was the Liberal government, the government which assumed the reins of power in 1896, the government which had been pronounced indifferent to the militia, the government which is training up our young men to be proficient in rifle shooting and providing magnificent material with which to fill the ranks of the active militia should it be found necessary to expend it to a war strength.

### Established Musketry School.

The government have established a school of musketry. We have under able men who have gained their experience in the South African war, organized the school of Musketry.

### Dominion Arsenal and Small Arms Factory.

Then we have the Dominion arsenal, whereas in the days of the Conservatives that factory could turn out about a million and a half cartridges a year, this government has increased its productive capability six fold and the output will be further enlarged I have no doubt. We have to-day a small-arms factory in Canada. We had been told we have too few rifles in Canada, I have said so myself, but I am glad to say that this government with an energy which is most commendable has entered into a contract with Sir Charles Ross, the result of which is that he has established a small-arms factory capable of turning out 1,000 rifles a month, and which working day and night, would be capable of turning out 24,000 rifles a year, which is more than half as many rifles as are in stock in Canada to-day.

### More Money for Rifles.

It is this government which has voted large sums of money to buy more rifles so that the unsatisfactory present condition of a shortage in rifles will cease, and yet this is the government which has been accused of indifference towards the militia of Canada.

### Canadian Gun Carriages.

We are now making in Canada steel gun carriages which we never made here before. That is Canada for the Canadians in the true sense of the term.

### Pensions for Permanent Corps.

It was reserved for Sir Frederick Borden to introduce a Pension Bill for the Permanent Corps, the result of which will be that the officers and men when they reach the age limit will be reasonably taken care of by the people of Canada.

### Militia Pay Increased.

The government have increased the pay of the militiamen and once more we have as fine a rural militia as this country ever boasted and that is saying a good deal.

### Increased Expenditure on the Militia.

All the reforms and improvements in the militia by the Liberals were not accomplished without a large expenditure of moneys.

The Laurier Government, who are charged with indifference to the interests of the militia, have spent more money on the militia than did their predecessors, and have got a better return.

The country has something to show for the money expended by the present administration. What did we get in return for the militia expenditure during the eighteen years immediately preceding the change of Government in 1896?

Let us contrast the sums expended for militia purposes by the present Government since they have been in office with the amounts disbursed by the previous administration during the last eight years they held office.

From 1897 to 1904, both years inclusive, the Department of Militia paid out an aggregate sum of \$22,493,845 whereas from 1889 to 1896, when the Conservatives were in office, the total sum was but \$11,704,613. In eight years, therefore, the Liberals disbursed \$10,789,232, or over 98 per cent. more through the agency of the Department of the Militia than did the Conservatives.

The Public Works Department makes expenditures upon militia buildings. From 1897 to 1904 there was paid out in this way the sum of \$1,371,718. During a similar period, from 1889 to 1896, the late Government spent only \$647,948. The advantage is, therefore, in favor of the present Government by \$723,770, or one hundred and eleven per cent.

Now take the aggregate for all militia purposes during the eight year period. The present Government paid out alto-

gether the large total of \$23,865,563, as against a Conservative expenditure of \$12,352,561, thus showing an excess in favor of the Liberals of \$11,513,002, or 93 per cent.

### Two Records Compared.

Comparative statement of expenditure for militia purposes by Department of Militia and Defence, and Department of Public Works, for eight (8) years, from 1889 to 1896 (both years inclusive), and for a similar period from 1897 to 1904.

Department of Militia and Defense.	Department of Public Works.		
Years	Amounts	Amounts	Total
1889...	1,397,010.....	104,607.....	1,501,617
1890...	1,327,576.....	44,946.....	1,371,522
1891...	1,287,550.....	5,574.....	1,293,124
1892...	1,270,264.....	57,231.....	1,327,495
1893...	1,426,070.....	219,623.....	1,646,593
1894...	1,284,517.....	113,396.....	1,397,913
1895...	1,574,013.....	65,468.....	1,639,481
1896...	2,136,713.....	37,103.....	2,173,816
	\$11,704,613	\$ 847,048	\$ 12,352,561
1897...	2,413,051.....	87,580.....	2,501,231
1898...	1,688,213.....	106,157.....	1,794,370
1899...	2,500,102.....	56,927.....	2,557,029
1900...	3,623,653.....	90,546.....	3,714,199
1901...	3,100,241.....	180,954.....	3,293,195
1902...	2,947,375.....	252,134.....	3,199,509
1903...	2,587,476.....	120,420.....	2,746,896
1904**	3,620,134.....	**432,000	4,058,134
	\$22,493,845	* 1,371,718	\$ 23,865,563

\*\*Estimated.

### SUMMARY.

Total expenditures -	
8 years. . . . .	1889 to 1896.... \$12,352,561
Total expenditures -	
8 years. . . . .	1897 to 1904. . . \$23,865,563
Expenditures for years 1897 to 1904 in excess of expenditure for years 1889 to 1896.....	\$11,513,002

### The Mail and Empire's Approval of the Militia Act.

As the Toronto Globe says, Sir Frederick Borden may well feel pleased when he is told by the Toronto Mail and Empire that the Militia Act of last session "was the most comprehensive and important scheme for the improvement of our citizen soldiery so far evolved." It declares that the Act is "the work of a statesman." It enlarges this by saying that "the most striking feature of the

whole document, in the eyes of a civilian, must be its statesman-like quality." Of the author of the Bill the Tory organ says

Here is no 'military monster,' no martinet laying down the law and binding it in red tape. Rather do we see a broad-minded man of the world, by profession a soldier, doing his utmost to harmonize warring interests. He approaches the business man, hat in hand, to speak and quietly offers to discuss with him some aspects of the great question of military defence. He does not order and swagger about in jingling spurs, but pleads only for an hour or so of one's spare time. He realizes that Canadians are not a military people, and that all their tastes are toward peaceful pursuits, but he points out the necessity of a measure of preparedness as a preventive of war. He makes the military business subservient to one's ordinary affairs, and does not insist that, at all costs, the citizen must make time to spend in rifle practice. He makes it as easy as possible for everyone who desires to do so to become familiar with the rudiments of soldiering. He has no abuse nor reproaches for those who refuse to discuss the matter.

The reader may well feel some amazement at finding such eulogistic references to a Liberal Government measure in the columns of the most blindly partisan newspaper in the Dominion, continues the Globe. Sir Frederick Borden's Act undoubtedly deserves all the praise that the Mail accords it, but so do a good many measures of the Dominion and Ontario Governments which have so far not received recognition from it. The reader will doubtless conclude, therefore, that there is an explanation—and there is. The Broad Arrow, a well-known military publication in England, published the statement the other day that the Canadian Militia Bill embodied the suggestions of Lord Dundonald, and that the Government was forced to introduce it and put it through the House to appease public sentiment. To all who follow public affairs closely it was seen that this did not square with facts, because the Militia Bill was introduced in the early days of the session, weeks before Lord Dundonald's Montreal speech. Nevertheless, The Mail, in its excess of zeal, has seized on the idea that the Government measure was drafted by Lord Dundonald or inspired by him, and hence the warm encomiums recited above.

Sir Frederick Borden, however, disposes of the error in the Broad Arrow by saying that "Lord Dundonald had nothing to do with the Bill. In fact, he entirely

disapproved of the measure, and was out of sympathy with it.' Sir Frederick alluded to this fact in the debate on the 20th of June, as follows:

Not to the Minister, not to the Government—because if he could not get my ear he might have gone to the Prime Minister—but he must make an appeal to the people because, forsooth, in my wisdom I saw fit to introduce into this House a much-needed militia bill, and was about to put it through. What was the matter with the General Officer Commanding? He saw in that bill and learned from my statements in the House that I approved of a new system which has been adopted in England, by which the services of the Commander-in-Chief are dispensed with, and he took alarm, and was determined, without making an effort to convince me that I was wrong in my proposal, to appeal over my head and beyond the Government to the people, in order to prevent me from carrying the militia bill through this House.

The Mail has evidently made a slight error, but if it has for once spoken truth about a Liberal measure, it must be regarded as a fortunate error.

#### What Lord Dundonald's Changes Involve.

It is interesting, in view of the current discussion, to analyze what Lord Dundonald's suggestions as amendments to the Militia Bill involve. These are clearly set out in a special despatch from Ottawa to the Toronto Globe that appeared in that journal on September 21, 1904.

#### A Conscription Scheme for a Regular Army.

Ottawa, Sept. 20.—A forbidding appearance is given to Lord Dundonald's plans in connection with the Canadian militia by the disclosures of amendments which His Lordship proposed should be made to the old militia act. The amendments in question to all intents and purposes involved the adoption of conscription in Canada—the baneful system which has proved such a curse in Europe, and has driven thousands of the bold peasantry from European countries to seek their home in a foreign land, where military service would not be obligatory. Lord Dundonald proposed to bestow the name 'Canadian army' upon the militia of the Dominion, and in every case where the militia act made use of the term 'militia' his suggestion was that it should be changed to army.

#### Compulsory Service.

He proposed that the three years' military service fixed by the act should be compulsory, and that youths between fourteen and eighteen years of age should perform not less than one hundred drills of one hour each. He also suggested the abolition of the present schools of instruction, and the creation in their place of a force of 5,000 men. In other words, the aim of Lord

Dundonald apparently was to establish in Canada a standing army, and to make military service compulsory. No militarist of the most pronounced jingo type could have gone further, and it can be safely asserted that no scheme would have proved more unpopular to our people, to whom the prospect of imitating the armed nations of Europe would be extremely obnoxious.

#### His Lordship's Proposals.

The Tory papers of Canada have been asserting that Lord Dundonald is the parent of the present militia act. They are entirely incorrect in that statement. But Lord Dundonald did propose a militia act, and we shall see what kind of measure it was. The amendment of the former militia act had been long contemplated by Sir Frederick Borden, and in 1902 the preparation of a draft bill was under way. In July of that year Lord Dundonald came to Canada and assumed the duties of General Officer Commanding. On February 13, 1903, Sir Fred wrote to his Lordship as follows:

#### The Minister's Plan.

'Dear Lord Dundonald. You were good enough to say that you would be glad to assist me in the preparation of a new militia act. I am sending you a copy of the present act, which I am inclined to think, after all, had better be the basis of our new bill. One of the reasons in favor of this course is that it will be very much more convenient for militia officers than to make a complete departure. It will also be more convenient in putting the measure through Parliament. Will you be good enough to indicate what changes you would propose in the way of additions, alterations and omissions, taking each clause of the present act in turn. In the event of new clauses being introduced, would you kindly indicate the proper place to introduce them? I do not ask you to draft these changes in legal phraseology, because that will be done by the Department of Justice; all I desire is that you will be good enough to indicate in your own words what change should in your opinion be made. I am also sending the draft of a bill which the committee which sat here recently adopted, and should be glad to have you consider it in connection with your proposed alterations in the present law. Yours very truly, etc.'

#### Lord Dundonald's Reply.

Lord Dundonald's reply, in part, was worded as follows:

'Crichton Lodge,

'Ottawa, Feb. 16, 1903.

'Dear Sir Frederick Borden: I have this morning been over the militia act, and return it with suggestions in it. I hope you will be able to make them out. As I know you want the act back with my remarks, I have not waited to have the work typed.'

Now, what were the suggestions proposed by Lord Dundonald? They may be enumerated as follows.

The title, 'The militia act,' to be changed to 'The Canadian army act.' Wherever the word 'militia' appeared in the act a change was made to the word 'army.' To the several classes of the population liable to serve in the militia the fol-

loring was added: 'And besides the above-named classes all the male youth in Canada between the ages of fourteen and eighteen years shall perform not less than 200 drills of one hour each under such regulations as may be made.'

### Division of the Militia.

Clause 12 of the old act provided that the militia should be divided into active and reserve militia, land force, and active and reserve militia marine force. The land force was to be composed of (a) corps raised by voluntary enlistment (b) corps raised by ballot, (c) corps composed of men raised by voluntary enlistment and men balloted to serve. The active militia marine force was to be composed of sailors, and persons whose usual occupation is upon any steam or sailing craft navigating the waters of Canada. The reserve militia, land and marine, was to consist of the whole of the men who were not serving in the active militia for the time being. In place of the foregoing Lord Dundonald wanted to have a revision reading thus: The army shall be divided into corps raised by voluntary enlistment or by ballot, or partly by voluntary enlistment and partly by ballot.'

### Length of Service.

The old provision as to length of service read: 'The period of service in the active militia in time of peace shall be three years.'

This is the change desired by our late General. The period of compulsory service in the army in time of peace shall be three years, but when hostilities are threatened his services may be extended by a year.

Clause 22 of the old act prescribed what the active militia should consist of. Lord Dundonald ran his pen through this and wished to substitute: 'The army shall consist of such corps and departments as may be prescribed by regulations.' Over this he placed the caption 'army.'

It was always 'the army' with his Lordship. Evidently he regarded this a word to conjure with. The term 'active militiamen' did not suit the late General, and he substituted therefor in every case the word 'soldier.'

### A Standing Army.

With a stroke of his pen Lord Dundonald proposed to abolish the permanent force and the existing schools of instruction. In place of what now exists he made this suggestion: His Majesty may enlist a corps not exceeding 5,000 for continuous service, to perform such duties for which continuous service is necessary.'

One of the most striking changes is that under which Lord Dundonald would promote himself, with an increase of salary. The old pro-

vision of the act was that an officer who held the rank of colonel, or superior thereto, in the regular army should be appointed to command the militia with the temporary rank of Major-General, and shall be paid at the rate of \$4,000 per annum in full of pay and allowances. Here is the sweeping amendment desired by his Lordship:

### Promotion for the G. O. C.

'There shall be appointed an officer who holds the rank of Major-General, or rank superior thereto, in his Majesty's regular army, who shall be charged under the orders of his Majesty with the military command, discipline and military administration and organization of the army, and who while he holds such appointment shall have a rank one step above that which he holds in the regular army, and shall have the British pay and allowances of that rank.'

Under the foregoing proposal the military administration and organization would have been handed over to his Lordship, and he would have been promoted to the rank of Lieutenant-General, with a salary of \$10,500 a year, including allowances, or about \$25 a day without allowances.

### Exception in Case of Officers.

But while Lord Dundonald generally struck out the word 'militia' wherever it appeared, and substituted 'army' as more preferable, he did not carry the same change into the clause providing that Imperial army officers should always be reckoned senior to militia officers of the same rank, no matter what the dates of their respective commissions might be. To have bestowed the title of 'army officers' upon officers of the militia would have placed them upon too much of a footing of equality with officers of the regular army. Therefore the only change he proposed was to except officers of the permanent corps or permanent staff from the provision. It devolved upon Sir Frederick Borden to remove the stigma cast by the provision in question upon Canadian militia officers. Henceforward in the case of militia and regular army officers of the same rank the former take precedence if their commissions bear an earlier date. This change was one in which the British authorities concurred. It is not difficult to see that the changes contemplated by Lord Dundonald would mean an enormously increased expenditure, especially if compulsory service for all able-bodied youths and adults not expressly exempted was intended. The cost of pay and maintenance for the permanent corps of 800 men at present is about \$205,000. This does not take account of subsistence or equipment. Multiply that amount six times, and you have a sum equal to that which was voted for the entire militia force under the old regime.

## CHAPTER XXI.

### THE DEPARTMENT OF LABOUR.

#### IMPORTANT RESULTS UNDER LIBERAL RULE.

##### What Has Been Done.

In 1886 the Conservative Government of the day appointed a Commission to deal with the subject of the relation of labor and capital. That Commission took about three years to prepare a report, which cost the country over \$81,000. The chief recommendation contained in the report was that a Bureau of Labor for the Dominion was urgently needed. An Act was passed establishing a Bureau of Labor statistics just previous to the election of 1891, but after the return of the Conservative party to power in that year, nothing more was heard of the Act, and no Bureau of Labor was established.

##### Abolition of Sweating System.

Prior to the election of 1896 the Conservative party appointed a Commissioner, A. W. Wright, to investigate the alleged existence of the sweating system in Canada. This commission reported that there did not appear to be any sweating system in the Dominion.

When the Liberal Government assumed office in 1896 they had every evidence to believe that the sweating system had gained a very strong foothold in the Dominion. The present Minister of Labor (Sir William Mulock) appointed a special Commissioner (W. L. Mackenzie King, the present Deputy-Minister of Labor) to investigate this matter, and he reported to the Government that in practically all of the clothing contracts which had been executed for the Government during the preceding 10 years, a system of sub-contracting had prevailed, which had resulted in sweating in its extreme forms. It was this report which led the Government to adopt its anti-sweating regulation and fair wage policy, which it has since carried out.

##### The Department of Labor

was established in 1900 without any special recommendation from a Commission, and has increased in importance ever since. The total cost of the Department, for three years, including the salaries of all its officers, the printing, binding, and distributing of the *Labor Gazette*, the travelling expenses of fair wage officers, expenses of the conciliator engaged in the settlement of strikes, and all other departmental expenses, have come to about what the Conservative Government paid for its commission on capital and labor, which extended its work over a similar period of time, and from the work of which there have been absolutely no results.

##### Labor Department Expenditure.

Labor Department Expenditure, 1900-01	\$2,460.11
Labor Department Revenue, 1900-01	801.67
Labor Department Expenditure, 1901-02	32,213.63
Labor Department Revenue, 1901-02	1,061.13

##### The Growth of the Department.

Since its creation the Department has grown continuously, and has become of increasing usefulness, not only to the workmen of Canada, in whose interests it was primarily established, but to the country in general. The Department, in addition to a staff of experts resident at Ottawa, has a correspondent in practically every city of the Dominion, and by means of correspondence, and in other ways the Government is kept informed of the condition of labor in all parts.

### The Labor Gazette.

The Labor Gazette is published monthly by the Department. It relates to matters of interest to workingmen and their employers, and to persons who are interested in the industrial development of the country. At the end of each year the separate numbers of the Gazette are bound in volume form. Already four volumes, embracing nearly 4,000 pages in all, have been issued.

In the pages of these numbers will be found an account of the important industrial events of the year to which they relate; the substance of all legislation passed by the several provinces of the Dominion in the interests of labor; a record of the nature, causes and results, as well as the principal features of all the important strikes and lock-outs in the Dominion; statistical tables giving the current rates of wages in the several trades for the principal localities from the Atlantic to the Pacific; similar tables giving a comparison of the cost of living in different parts of Canada; special articles on the several industries of Canada; a codification of the existing laws for the protection of persons in factories, stores, mines, on railways, etc.; statistical tables showing the number of accidents sustained by workingmen during their employment, causes, results, etc.; the extent of the trade union development in Canada, the number of labor unions, localities where situate, date of formation, etc., etc.

The chief legal decisions in the principal courts of the Dominion, which in any way affect labor, are also published, and labor reports from all parts of the world reviewed.

Most of the information has been collected for the first time, the tables, for example, as to strikes and lock-outs in the Dominion, the rates of wages, industrial accidents, trade union organization etc., never having been prepared at any previous time.

The circulation of the Labor Gazette has grown steadily ever since the first number was issued, and at the present time between 10,000 and 12,000 copies are mailed regularly each month to re-

gular subscribers, secretaries of labor organizations, public libraries, etc.

### The Fair Wage Policy.

A most important part of the Department's work has been the securing to workmen engaged on all public contract work for the Dominion Government of a fair day's pay for a fair day's work. The system of sub-contracting, on public work, which was in vogue before the present Liberal administration took office, had gone to such an extent as to give the sweating system a strong hold in Canada.

This evil has been virtually swept out of existence so far as Government work is concerned, in consequence of the rigorous measures for the protection of the working classes, which have been introduced into all Government contracts by the present Government. In contracts, for example, for the uniforms of soldiers and post office letter carriers, conditions are now inserted requiring that the work shall be performed in places that comply with sanitary regulations, that not less than a certain wage, which is the current wage, shall be paid to any of the men or women engaged upon the work, and that the hours of labor shall not be excessive. Before contractors received a contract they are obliged to furnish a statement of the rates of wages and hours of labor, and other conditions governing the employment of those to be engaged on the work which is being done for the Government, and these conditions are first submitted to the Department of Labor for its approval.

If necessary a fair wage officer of the Department is sent to inspect the premises and report as to what would be a fair rate of wages, and a fair number of hours work. Not only are the workers in the clothing trades protected, but the fair wages policy of the Government is extended to all branches of its work.

### Its Influences Spreads Far and Deep.

For example, in contracts given out by the Public Works Department for the building of public buildings, such as post offices, court houses, custom houses,

armouries, and the like, fair wages schedules are inserted along with other conditions for the protection of labor to be employed on such work. These schedules are prepared by fair wages officers of the Department of Labor, and they specify in plain language what minimum rate of wages shall be paid to the several classes of labor engaged upon the work, and the hours to be worked. The schedule is published in the Labor Gazette, so that the workingmen, as well as the public generally, know what are the wages to which they are entitled. In the event of these rates not being paid, and the matter being brought to the attention of the Government, the fair wages officers of the Department of Labor make investigations and report upon the conditions, and contractors are required to comply with the terms of their contract.

#### Seventy Claims Investigated.

The Department of Labor, since its creation, has investigated some 70 or more claims of workingmen for wages alleged to be due in accordance with the schedules inserted in the contracts given to their employers, and in a large number of cases has compelled the payment by contractors of amounts to which the men were entitled, but which they might otherwise not have received. Where contractors have refused to make payment, the Department which has awarded the contract, has made payment itself to the workmen through the Department of Labor, and has deducted the amount from what is owing to the contractor under the contract.

Similar schedules are inserted in the contracts of the Marine and Fisheries Department for the building of ships, lighthouses, etc., and in the contracts of the Department of Railways and Canals for railways, railway stations, etc., constructed by that Department. During the past three years the Department of Labor has drawn up several hundred schedules, all of which have become part of contracts awarded by different departments of the Government.

An indirect effect of this work of the Department has been that the example has been largely followed by some of the

Provincial Governments, municipalities, and councils throughout the several provinces of the Dominion, with the result that a general movement has been stimulated, which has in view the securing to the workers engaged on public contract work a just reward for their labor, as well as its performance under proper conditions as to hours, sanitation, and the like.

#### Settlement of Strikes and Lock-outs.

Under the provisions of the Conciliation Act the Department may appoint a conciliator to endeavor to effect a settlement of industrial disputes wherever appeal is made to the Department by either of the parties interested. As a consequence of this legislation, and the effective administration of the Act by the Department, some of the largest and most threatening strikes of the Dominion have been settled through its intervention. The numbers affected in most of the industries and establishments have been large, between 15,000 and 20,000 employees in all having been immediately affected. Among some of the most important settlements may be mentioned the following:

A strike of cotton mill operatives at Valleyfield in October, 1900. Three thousand (3,000) employees were involved. At the time the intervention of the Department had been requested the militia of Canada had been brought up by the corporation from Montreal to maintain order in the place.

Core-makers and other employees of the Ontario Malleable Iron Works at Oshawa, Ont., December, 1900, in which 300 employees were involved.

A strike of the employees at the Canada Tool Works, Dundas, Ont., January, 1901, involving 55 employees.

Strike of employees of the Laurentide Pulp Co., Grand Mere, April, 1901, involving 800 employees.

A threatened strike of the miners employed by the Nova Scotia Steel Company at Sydney Mines, N.S., in June, 1901, involving 700 employees.

A strike of 150 employees in the cotton mills at Valleyfield, Que., in October, 1901.

A strike of the miners in the employ of

the Wellington Colliery Co., at the Alexandria Mines, South Wellington, B.C., in November, 1901, involving 260 employees.

A strike of piano-workers at Toronto in December, 1901, involving 450 employees.

A strike of furniture factory employees at Berlin, Ont., March, 1902, involving 40 employees.

A strike of longshoremen and sympathetic strikes at Halifax, N.S., in April, 1902, involving in the neighborhood of 1,200 employees, which had the effect of virtually paralyzing business in the harbour of Halifax in the week previous to its settlement. All the steamship companies and a large number of merchants were immediately affected by the strike.

A strike of wharf-builders at Port Burwell, Ont., in June, 1901, involving 30 employees.

A strike of the employees of the Ste. Croix Cotton Mills at Milltown, N.B., during April of the present year, involving 300 men.

A strike of the employees of the Hawkesbury Lumber Company, at Hawkesbury, Ont., during April, involving 250 employees.

A lock-out of carpenters at Calgary, Alta., which was settled on the 18th of July, which lock-out was commenced at the beginning of the month of June.

A strike of carpenters at Winnipeg, Man., settled during October, 1903. This strike was seriously affecting building operations in Winnipeg.

A strike of the employees of the Dominion Iron and Steel Co., at Sydney, U.S., in July, 1904. Between 1,200 and 1,500 workers were effected by this strike.

In addition to the benefit which these settlements have conferred upon the workers involved in the dispute, it is also fair to estimate that the saving to capital in consequence of the settlements has amounted to thousands of dollars.

#### Other Work of the Department.

The Department of Labor was instrumental in gathering a large number of opinions from labor organizations all over the Dominion, and also from other parties with reference to compulsory arbitration.

The general consensus of these opinions was adverse to the adoption of a compulsory arbitration measure, but there was a strong sentiment in favor of a measure which would lead to the compulsory investigation of strikes on railways. During the session of 1903 the Minister of Labor accordingly introduced a new measure for the settlement of disputes on railways, which provided, in the first place, for settlement by conciliation, if possible, and in the event of conciliation failing, making a provision for a compulsory investigation by an investigating board, this board to have power to examine witnesses under oath, and to compel the production of books and other documents as required. This measure is now law.

#### Alien Labor Law.

The first Alien Labor Law enacted in Canada was passed by the Liberal administration. As first enacted, it required the consent of the Attorney-General of the Dominion before any action could be brought for a violation of its provisions. In response to a general feeling on the part of workingmen that the law should be amended in such a way as to place its enforcement in their hands, the law was amended, enabling any person to bring an action of his own accord, where he believed that the provisions of the Act had been violated, and in order that no loss might be sustained by the person bringing the action where it was rightly brought, a provision of the Act specified that as much as fifty per cent. of the fines imposed on conviction might be paid to the original informant. Several cases have already arisen under this Act, and in all cases where a conviction has been obtained one-half of the penalty has gone to the informer. For example, in the case of *Rex v. Geeser*, where a miner in the employ of the Le Roi Mining Co., at Rossland, B.C., laid information that the law had been violated in two cases, fines were imposed to the amount of \$500 in the one case, and \$50 in the other. The miner who laid this information has received from the Department a cheque for \$275, being half of the penalties, to which he was entitled under the Act.

### Commissioners to Investigate Labor Matters.

An important Labor Commission to investigate the nature and causes of industrial disputes in the Province of British Columbia was created by the Department in the spring of 1903. The Department of Labor has since distributed free of charge the report of this Commission, and undertook the printing and publishing of the evidence as well.

A Commission was appointed under the Department of Labor in the spring of this year to inquire into the employment of aliens by the Grand Trunk Pacific Railway Co. Also a Commission to inquire into the fraudulent practices of employment agencies in Montreal in bringing large number of Italian laborers to Canada to compete with Canadian labor.

The reports of these Commissions are being printed, and will be published with the evidence by the Department. Their effect has been to draw public attention to many important abuses, and in large measures to put a stop to them for the future.

A Commission was appointed during the early years of the present Liberal administration to inquire into cases of distress and suffering by workingmen in connection with the building of the Crow's Nest Pass Railway. As a result of the investigation made by this Commission and its report, a law was passed in 1899 known as the Public Works Health Act, making provisions for the protection of the health of workingmen engaged on public work, or work aided by public funds in outlying districts. A special officer has been appointed to see

to the effective carrying out of the provisions of this Act.

### Tax on Chinese.

One of the most serious problems with which labor in Canada, and more particularly the labor of the West, has been confronted, is the severe competition with which it was threatened as a result of Mongolian immigration. In order that the interests of the working classes might be protected against harm in this connection, the Government appointed a Royal Commission to investigate fully the past results and possible future effects of this immigration, and on the basis of a report submitted by the Commission enacted legislation which is calculated to have the effect of removing any serious harm to Canadian labor from this source. A poll tax of \$500 has been placed upon all Chinese entering the Dominion, and other measures to render effective the restriction of their numbers have also been passed.

### Prevention of Railway Accidents.

One of the important duties placed upon the Railway Commission, established in 1903, is to examine into the causes of accidents on railways, and to enforce regulations which will prevent accidents occurring. A special officer has been appointed in connection with this work.

The Liberal Government has also passed important amendments to the Railway Acts, framed particularly with a view to procuring greater safety to employees.

## CHAPTER XXII.

### REPRESENTATION OF THE PEOPLE ABOLITION OF INIQUITOUS ACTS.

#### Three Great Reforms.

In accordance with its foundation platform of safeguarding the representation of the people, the Liberal Government have already achieved three great reforms:

1. They have abolished the monstrous, cumbrous and costly Franchise Act of their predecessors.
2. They have repealed the worst features of the iniquitous Gerrymander Act by substituting and restoring county boundaries, which was accomplished by a Committee of the House of Commons.
3. They have introduced an improved ballot.

#### The Abolition of the Franchise Act.

The abolition of the old Franchise Act has been a great saving to the people individually and as citizens of the country. Everyone who had anything to do with it knows that in addition to the money paid from the Dominion Treasury to revising barristers, clerks, etc., and for printing, publishing, etc., both political parties were at great expense in having the lists attended to. These combined (the expenses by the Dominion Parliament and the expenses of the political parties), have been calculated to amount, for each revision, to \$2,000,000.00 for the whole Dominion of Canada, while at the same time the Provincial lists for Provincial purposes were in existence. The present administration adopted the Provincial Franchise Law in lieu thereof.

#### The New Redistribution Bill.

In the session of 1903 the Rt. Hon. Sir Wilfrid Laurier, in accordance with the resolution submitted by him in 1892, when he was leader of the Opposition, moved in the House of Commons that a Committee composed of members of both sides of the House should be appointed to confer together and draft a Redistrib-

ution Bill to be submitted to the House. In this Mr. R. L. Borden, leader of the Opposition, concurred, and after several meetings of the Committee the Bill was submitted to the House and adopted with very few amendments. The Bill has been considered by the people generally throughout Canada as a fair, equitable and just measure. No newspaper of any standing throughout the Dominion of Canada, whether Liberal, Conservative, or Independent, has assailed the general principle which pervades the Redistribution Bill adopted by Parliament during the session of 1903.

In the General Election of 1900, the Conservatives won a majority of 20 of the seats in the Province of Ontario, owing somewhat to the prenicious effect of the Gerrymander of 1882. Had the seats been the same as those for the Legislature, the Ontario Liberals in 1900 would have had four of a majority in the Province of Ontario instead of 20 minority. Now that the Gerrymander has been abolished and a commendable redistribution adopted for all the Provinces by the Dominion Parliament, Ontario will not be shackled as she was in 1900. The Liberals will therefore have a just representation from Ontario in the next Parliament of Canada.

#### An Improved Ballot.

The abolition of the old Dominion Franchise Law, the adoption of a highly commendable ballot, the just rearrangement of the seats, and the general spirit which prevails throughout the Administration for honesty in the management of the affairs of the country and the conduct of elections, have done much to strengthen that confidence which the people have in the leadership of the Rt. Hon. Sir Wilfrid Laurier.

### The Law as to Ballots.

It had long been found that the form of ballot used in the Dominion Parliamentary Elections in Canada was open to very great abuses. The whole question was taken up by the present Liberal Government and many designs of ballots were examined. A perfectly novel principle was finally adopted and embodied in chapter 12 of the Acts of 1900, at section 18. The points of departure were:

(a) That the paper for the ballots was no longer supplied by the local printers, but was sent from Ottawa to the Returning Officers.

(b) This enabled the Government to instruct its officers to supply a distinctive paper such as could not be bought locally. A paper was devised and specially manufactured of a peculiar color, not used in trade and difficult to match, and it was made with a water mark showing a distinctive device, upon each ballot, when held up to the light. This water mark could only be imitated in a large paper mill with much expense of money, time and trouble. It could not be made in secret as many workpeople are of necessity concerned in the manufacture. The Act, while prescribing the thickness of the paper, did not enjoin these additional precautions. They were adopted by the Government in carrying out the Act.

(c) The Act prescribed other important changes. The ballot papers were to be numbered and stitched in books and were to bear the printer's name. In that way a check upon the actual number printed might be had and the sequence of the numbers would betray any attempt to pass off a fraudulent ballot.

(d) While these novel precautions were taken the most important point of all was also secured. The ballot is absolutely secret. No trace remains upon it after it is dropped into the box by which a voter can be identified.

(e) An additional and novel peculiarity was adopted in section 41. Every Returning Officer is supplied with a stamp, and he must stamp every ballot. A new stamp is provided for every election.

The name of the district is on each, but the year changes and the shape of the stamp varies.

### The New Ballot a Great Improvement.

The new ballot was introduced in the General Election of 1900. It was found to be a great improvement upon the old form, but the name of the electoral district, the date and printer's name were printed on the face of the ballot at the head, and although they occupied the space fully, there were little spots where a black pencil mark would show, and a number of ballots were still spoiled.

This led to the existing modification of the pattern, set forth in the Act passed the following year (chapter 16 of 1901). In this design the face of the ballot is so printed with broad black bands that it is not possible to make a black mark excepting in one of the spaces where a candidate's name appears. All the necessary printing excepting the names of the candidates is done on the back, and the utmost ingenuity cannot find on the face a wrong place where a mark will show.

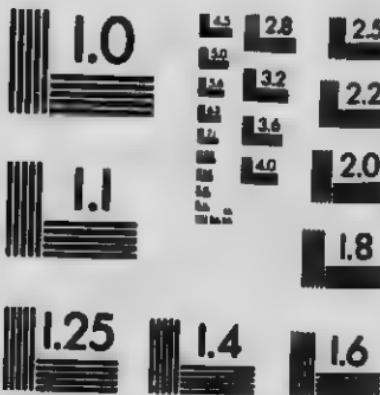
This modified ballot has been tested by use in the bye-elections since 1901, and has proved a great success. The Act of 1901 threw on the King's Printer the duty of sending out the paper to the Returning Officers. When the paper was sent out for the election of 1900 it was cut to a suitable size. Patterns were provided of model ballots on which ruled lines showed the method of printing. When the election came to be worked out some of the local printers spoiled the paper in most ingenious ways, and a duplicate supply had to be sent. This was headed off in the bye-elections by partially printing the paper at the Government Bureau. Nothing is now left for the local printer to do but insert the names of the candidates on the face and his own name and district on the back. The perforating, numbering and stitching into books must still be done locally to suit the local requirements.

No criticism or complaint has ever reached the ears of the King's Printer since the last precaution was adopted.



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## CHAPTER XXIII.

### TORY RACE-AND-RELIGION CRIES.

#### MR. TARTE AS THE TORY BOGEY MAN OF 1900.

##### Then and Now; or, 1900 and 1904.

Politics has its humorous side. Nothing more ludicrous has occurred in Canadian political life than the policy of the Conservative party toward Mr. Tarte while he was a member of the Liberal Government, especially prior to the General Elections of 1900. The humorous aspect is now seen when the gentleman in question has been welcomed back by Mr. R. L. Borden, the leader of the Conservative Opposition, and a section at 'east of the Conservative party. No more does one read the epithets in the Tory press directed against the ex-Minister of Public Works. There has been a remarkable right-about-face on their part.

But there is an aspect of the matter more serious. The game then played was only part of the general plan to raise the dangerous race and religious cries, by means of which the discredited Conservative party hoped to regain power. And though the attempt, unpatriotic in itself as it was, miserably failed, yet the same people and the same press in large measure are playing the same game in 1904, and it can confidently be predicted that the unworthy effort will meet the same fate at the hands of the intelligent electorate as in 1900.

##### The Anti-Tarte Propaganda of the Mail and Empire.

While the Mail and Empire and a large proportion of the Conservative press are phrasically holding up their hands at the thought of raising racial cries for party purposes, and yet continuing the practice, it may be worth some space to recall from the Mail and Empire a few choice expressions in their campaign leading up to the General Elections of 1900, always bearing in mind, as they are read, the different tune the Tory Organ and its echoes are playing to-day. Herein comes the humor of the situation.

##### Mr. Tarte is Now "A Sterling Patriot."

The Montreal Star of as late a date as

July 2nd, 1904, in an editorial headed "Bravo, Mr. Tarte," has the following:

"Mr. Tarte's article in *La Patrie* of Friday shows that the ex-Minister's patriotism is of that sterling type which made Sir George Etienne Cartier a man loved by French Canadians, respected by all Canadians, and whose name is revered by the generations who would build our country on the foundation laid by Macdonald and Cartier. Contrast Mr.

Tarte's utterance with the dangerous work of certain newspapers, which at the beck and call of the Government are doing their best to loosen the bonds that attach us to an empire that gives us security and liberty nowhere better enjoyed in any part of the world."

This editorial emphasizes two things: That the very Conservatives that not long since hounded Mr. Tarte as an enemy of public safety and a traitor, how welcome him to their arms as of yore, and the second, that along with every opportunity is a renewed attempt to raise the race and loyalty cry for unpatriotic purposes.

In the light therefore of this new relationship to Mr. Tarte, the following extracts make very choice reading:

##### The Mail's Anti-Tarte Campaign.

Mail and Empire, Sept., 25, 1899—The return of Mr. Israel Tarte, who is the real Premier of Canada, is an event which that politician makes the subject of a verbal demonstration. During the absence of Mr. Tarte in Europe, the subordinate ministers have scarcely lived up to the New Liberal platform \* \* \* They have not risen to the standard of boldness in the matter of taxation and expenditure that the master of the Administration requires of them. \* \* \* So schemes and expenditures and taxes we are to get until, staggering under Tarte's extortion and burdens, we shall look back to the seventy million outlay of this year as a somewhat moderate experience.

And yet the Montreal Star, July 2nd, 1904, speaks of Mr. Tarte's sterling type of patriotism!

Mail and Empire, April 1, 1899—When Mr. Tarte says somebody objects to Sir Wilfrid Laurier because of his race and religion, he is really addressing Quebec and asking that province to oppose another leader because he is not

of Sir Wilfrid's faith or of his religion. It is the race cry inverted and thinly masked \* \* \* When Tarte appeals to race, Canadians of all races have reason to be suspicious.

And yet the Montreal Star, July 2nd, 1904, speaks of Mr. Tarte's sterling type of patriotism!

Mail and Empire, March 30, 1899—The chief purpose of Mr. Israel Tarte's speech on the address was to raise once again his narrow race cry \* \* \* Tarte is an expert in this race business. In fact his principal political stock-in-trade has always been his well-known and much appreciated piety and the added fact that he is a French Canadian by birth.

The Montreal Star, July 2nd, 1904, refers to Mr. Tarte's sterling type of patriotism!

Mail and Empire, March 20, 1899—Tarte is mighty and must be obeyed, even if obedience does mean humiliation and abasement.

Mail and Empire, Jan., 5, 1899—The facts with reference to Mr. Tarte are matters of history. That politician got into disgrace with the Conservatives and was engaged by Sir Wilfrid as party organizer. He took his principles over with him \* \* \* Now Mr. Tarte is managing affairs on racial lines.

#### The Mail's Harangues Grow Worse.

Mail and Empire, January 2, 1899—It is too bad that our politics should be disgraced by a selfish and sectional politician whose stock-in-trade is huge expenditure and base appeals to race feelings.

Strange to say, this is the man whom the Montreal Star of July 2nd, 1904, refers to as a man with a sterling type of patriotism!

Mail and Empire, March 3, 1899—It is felt that Mr. Tarte is in the Liberal party for himself alone, and that at any opportune moment he will turn upon it and rend it.

Mail and Empire, January 30, 1899—Mr. Tarte is in the Cabinet to stay. Though half the Liberal party hate him and ask for his dismissal, he will remain. And why? Because if he were dismissed he could and would disclose the means by which the Government reached power at the last election. He knows the secret. He could not only have Sir Wilfrid Laurier himself deposed but he could prevent the Liberal party from reaching power again for the next twenty years. This is why Mr. Tarte remains the Master of the Administration.

Mail and Empire, Oct., 31, 1899—Tarte's campaign is entirely racial and partisan. \* \* \* We have this Minister of the Crown raising his hideous race cry. \* \* \* Are we going to sit idly by and permit Tarte to make a triumphant assault upon the sentiment which is most sacred to Canadians?

Remember, this is the very man to whom the Montreal Star of July 2nd,

1904, refers as possessing a sterling type of patriotism!

#### More Tory Abuse for Poor Mr. Tarte.

Mail and Empire, Feb., 20, 1900—The little nightmare still dances on the bosom of his country.

March 5, 1900—His leadership and teaching are bad in the extreme.

Mail and Empire, Oct., 26, 1899—Our French Canadian citizens should not be blamed for the antics of one bigoted man who has traded upon their confidence in the past and is misrepresenting them now for political effect.

The Montreal Star, July 2nd, 1904, speaks of Mr. Tarte's patriotism as possessing a peculiarly sterling quality!

Mail and Empire, Oct., 31, 1899—If Sir Wilfrid Laurier were a man of strength, imbued with the best sentiments for Canada, Israel Tarte would not rule his Cabinet for three minutes.

Mail and Empire, Oct., 17, 1899—Tarte was once a Tory himself. He would be such today were it not that when he wanted to connect himself once more with the Conservative party in 1892, Mr. Ouimet, now a judge, protested that he must be held at bay as it costs too much to keep him.

Mail and Empire, Sept., 27, 1900—The chief enemy of union, peace, friendship and fraternity is Israel, and we cannot expect these blessings while that anti-British Minister is working against them.

Montreal Star, July 2nd, 1904, speaks of this anti-British Minister as exhibiting a sterling type of patriotism!

#### Some Final Mail Shrieks.

Mail and Empire, Oct., 31, 1900—Out with Tarte! Out with the stirrer up of strife! Out with the man whose anti-British opinions are an offense to loyal Canadians. Nov., 5, 1900—If we are going to surrender our liberties, let us sacrifice them to some other man than Tarte. Let us vote against absoluteism, boodleism, racialism, disloyalty and Tarte.

And yet the Montreal Star, of July 2nd, 1904, editorially approves of Mr. Tarte and his sterling type of loyalty!

As Sir Richard Cartwright has aptly put it, either they were terribly mistaken about Mr. Tarte two years ago and ought to apologize to him most abjectly for the gross way they slandered him then, or they were correct in describing him as a traitor and a creature with whom it was contamination to associate, in which case how do they account for their readiness not merely to receive him back into their ranks, but even to instal him in high rank over the heads of their own

tried and trusty friends, as they are doing?

#### The Double Game.

It may be well to recall some of the evidences of the "double game" played by the Conservative party in connection with the General Elections of 1900. Great credit is due the *Globe* newspaper for so effectually showing up Tory tactics at that time in deliberately raising the race and religion cry. Its investigations conclusively proved that these tactics were a part of a deep-laid plan, and that they were used all over Canada. And while the attempt to regain power by such unworthy means met with a well deserved rebuke at the hands of the Canadian people, Liberals should be again on their guard, for there are not a few indications that similar methods will be used in connection with the coming elections.

#### A Few Specimens.

A few specimens from the Tory election campaign of 1900 will illustrate the above.

In the county of Glengarry, a circular letter was sent to the Scotch electors, in which the Protestant horse was ridden. Another circular, issued in the same riding, for use among the Catholic electors, denounced Sir Wilfrid Laurier for not giving the Catholic Bishops that settlement of the Manitoba school question which they demanded. Fortunately this double game thus attempted in Glengarry utterly failed of its purpose on behalf of the Conservative candidate.

An interesting Tory campaign document was that circulated in Ontario in the interest of Tory candidates, primarily among Sons of England and St. George's Societies. This precious document was a series of shrieks on racial lines, in which Mr. Tarte was described as a traitor.

The first paragraph in this campaign sheet indicates its whole character. It read:

"If we really and honestly believe that it is a paramount duty to endeavour to uphold the integrity of the British Empire, there is assuredly but one issue before loyal Britons in the forthcoming election. Whether the present period of prosperity which Canada is enjoying is due to the

economic law which produces cycles of both prosperity and depression, or whether it is due to the fact that the national policy of the country has been administered during the last four years by the Liberals, matters little except to the mere partisan, in face of the vital issue of the maintenance of British supremacy in this British country."

Many of the Conservative papers maintained an anti-French campaign for months before the election of 1900. It was all done with a political object. In Quebec the Tory cry was, regarding Mr. Tarte, that he was not French enough, while the cry used in Ontario was an echo of Sir Charles Tupper's utterances that "Laurier is not half British enough."

This is one more example of the policy of duplicity carried on by the Conservatives during the campaign. Appeals to prejudice were thus made throughout the Dominion—appeals that are always mischievous, and that deserve the rebuke of every true Canadian.

The "Montreal Star" was one of the chief sinners in this connection. From start to finish of the campaign, it daily appealed to the prejudices of one class of the people, and almost every editorial contained paragraphs intended to inflame the passions of its readers. All this stirring up of strife by such a reputable journal was vicious in the extreme. The *Toronto Mail and Empire* and the *Hamilton Spectator* are also to be numbered among the chief sinners in this respect. As the *Globe* very well commented at the time, "Talk about loyalty to the country! We cannot conceive of any greater treachery to the public interest than these deliberate and calculated attempts to embitter by falsehoods the relations between the two great sections that compose the people of this country."

In all this campaign of misrepresentation, Mr. Tarte was the chief "bogey man"—the man of whom the *Montreal Star* writes on July 3rd, 1904, in praise of his sterling type of patriotism!

It is needless to enlarge on this race and religion propaganda of the Conservative party of four years ago, and the conduct in secrecy of their "double game." It is well, however, as has been pointed out, to warn the Liberal party afresh, and thus put them on their guard.

## CHAPTER XXIV

### THE HISTORY OF TORY CORRUPTION HOW CONSERVATIVES WIN ELECTIONS.

#### The Bad Record of the Tory Party

The history of the Tory party in Canada has been one long record of disreputable political practices, open and unblushing bribery both of constituencies and individuals, stealing of constituencies by expert gangs of personators and pluggers, ballot box stuffers, ballot stealers and ballot switchers, thumb-nail artists and side-line operators.

The years of Tory rule in Canada have been marked by some of the most glaring instances of corruption and stealing of the public moneys which have ever disgraced a civilized country.

#### The British Press on Tory Corruption

After the exposures of Conservative wrongdoing, following the general election of 1891, the British press referred to the disclosures as follows :

*The London Times*: "Here in the Mother Country there can be only one feeling, that deep regret for the wrong done to the fair fame of the eldest of her daughters."

*London Graphic*: "It is no longer possible to doubt that corruption in its worst form is rampant in a large portion of the Canadian civil service."

*London Telegraph*: "Enough, unfortunately, is already known in England to make it clear that only the most resolute and drastic purification can redeem public life in Canada from the taint of corruption, the like of which we have not seen in our own country for hundreds of years."

*Birmingham Gazette*: "Rascals out of office defraud the public in order to bribe rascals in office, and rascals in office prostitute themselves, sacri-

fice their honor and forsake their trust in order to keep on good terms with the rascals out of office."

*London Echo*: "No country can prosper where public departments are in league with fraudulent contractors, and where Ministers are open to offers."

*St. James' Gazette*: "The existence of an organized system of corruption among public officials in Canada has been conclusively proved, and like everything else on the American continent the bribery has been colossal."

*The Graphic Despatch*: "Even Tammany Hall smells sweet and clean in comparison with the huge stink-pot of the Conservative government."

#### The Climax of 1896

Matters came to a climax in 1896, when the accumulating scandals led to the rout of the Conservative party.

In view of the claims to political purity on the part of the Conservative party and press, and the vague but baseless charges laid at the door of their opponents, it may be well to remind our readers of Tory political methods of the past.

#### The Old Way.

In the olden days of open voting a favorite Tory method was to take possession of the polls and keep the Grips from voting, while men without any qualification were run in to vote for the Tory candidate, and if once was not enough, they would be brought back a second and a third time and as many times as would be necessary in order to make the election of the Tory a sure thing. The Liberals had no

redress, as in those days election petitions were tried by partisan Parliamentary Committees. These trials were a huge farce, and seats stolen at the polls would be again stolen by a Tory Committee of the House. To remedy these evils the Liberals agitated for a Ballot Law and the trial of Election petitions by the Judges. The Tory party, true to the reactionary principles which characterize it to the present day, resisted both of these reforms, and that they were finally brought about is due entirely to the Liberal party.

#### The Canadian Pacific Railway Scandal.

The Government of Sir John A. Macdonald was responsible for this, one of the greatest of political scandals, and which will always remain as a foul blot upon the history of Canada. It involved the sale of the Canadian Pacific Railway Charter, along with fifty million acres of land and thirty million dollars in cash, to Sir Hugh Allan. For this concession Sir Hugh paid to Sir John A. Macdonald the sum of \$360,000.00 for the benefit of the Tory party. The matter was ventilated in Parliament and the whole disgraceful bargain was brought to light. Following are samples of some of the despatches in connection with this big boodling transaction:—

“Montreal, 30th July, 1872.

“Dear Sir Hugh,—The friends of the Government will expect to be assisted with funds in the pending elections; and any amount which you or your Company shall advance for that purpose shall be recouped to you. A Memorandum of immediate requirements is below.”

“Yours very truly,

(Sgd.) Geo. E. Cartier.”

“Sir Hugh Allan.

“NOW WANTED.

“Sir John A. Macdonald...	\$25,000
Hon. Mr. Langevin.....	15,000
Sir G. E. C.....	20,000
Sir John A. (add'l).....	10,000
Hon. Mr. Langevin (ad'l)	10,000
Sir G. E. C.....	20,000 ”

Sir John A.'s Famous Telegram: “Send me another ten thousand.”

“Immediate. Private.

“Toronto, Aug. 26, 1872.

“I must have another \$10,000. Will be the last time of calling. Do not fail me. Answer to-day.

(Sgd.) John A. Macdonald.

Sir John A. actually had the temerity to defend the flagrant job, but the people of Canada were shocked at the disclosures, and in the General Elections which followed, the Tory party were signally defeated.

#### East Hastings Election, 1872.

The Candidates were White (Con.) and Aylsworth (Lib.), and Aylsworth was declared elected by 10 majority. On a recount Judge Lazier allowed ballots marked with numbers on the backs in one poll where White had a majority, and rejected similar ballots in another poll where Aylsworth had a majority, thus giving the seat to White by 22 majority. The Liberals contended that he should either count all numbered ballots or reject all. In the one case Aylsworth would have had a majority of 17 and in the other case a majority of 40. It was only by rejecting them while Aylsworth was ahead and allowing them while White was ahead that the Judge succeeded in declaring White elected. The *Belleville Free Press* (Tory), speaking of the Judge's decision, said: “It is viewed by the whole Reform Party not only with dissatisfaction, but with extreme indignation.....They affirm that the Judge acted in a grossly partisan manner.” See daily papers, October, 1872.

#### King's County, (P.E.I.) Case of 1882.

Dr. Robertson (Lib.) polled 2,802 votes, and McDonald (Con.) 1,949. The duty of the returning officer was to return the Liberal as elected, but on the strength of a statement made to him that Dr. Robertson had not resigned his seat in the local Legislature he made a “special return.” Not even Parliament, much less the returning officer, had the right to pronounce on Dr. Robertson's qualifications, that

duty having been relegated to the Courts. The case was referred to the Privileges and Elections Committee which, of course, gave the Conservative minority candidate the seat which had been honestly won by Dr. Robertson. (See Hansard, Session of 1883.)

#### The West Middlesex Election of 1883.

The candidates were Ross (Lib.), now Hon. Mr. Ross, Premier of Ontario, and Johnston (Con.). A few days before the election one James Weekes, Vice-President of the Conservative Association for Caradoc Township, went into the Liberal Committee Rooms by mistake, and there unintentionally disclosed the fact that he had just received \$100 in the basement of an hotel to be used in buying voters in No. 3 Division Caradoc for the Tory candidate. He exhibited twenty \$5 bills. Several of the Liberals who heard what he said and saw the money made Statutory Declarations to the facts. Weekes a day or two afterwards made a Declaration denying some of the allegations, and it was printed and scattered all over the Riding. The Liberals afterwards had him arrested for perjury, and he was tried in London. Mr. W. R. Meredith, then leader of the Opposition in the Local Legislature, appeared as his Counsel. It transpired in the course of the evidence that the declaration made by Weekes had been drawn up by Mr. Meredith. Mr. Hutchison, the County Crown Attorney, demanded the production of the original declaration, as it was impossible to secure a conviction on a copy. Mr. Meredith either could not or would not produce the original, and Weekes was discharged on that ground, the Magistrate expressing the opinion that there was no doubt of Weekes' guilt, and that the non-production of the original document saved him from imprisonment. The County Crown Attorney characterized Mr. Meredith's conduct as "unworthy of a lawyer, a citizen, and a gentleman." When arrested Weekes said that he told Meredith that he thought the declaration was a "trifle strong," but that Meredith would not change it and said, "Sign it, and I will see you

through all right." The Magistrate, in dismissing the case, said, "I think I am not going beyond bounds in disapproving the conduct of the parties who prevailed upon a weak young man to commit so glaring an act as demonstrated in the fraud practised on the defendant."

#### The Queen's County (N.B.) Case.

The Candidates were Baird (Con.) and King (Lib.), and King received a majority of the votes cast. Baird sat through a whole session by the act of the returning officer, who returned the minority candidate as elected on the pretext that the deposit of the Liberal candidate had not been made by the election agent but by another person. The matter was before Parliament several times, but the Conservative Government systematically voted against every attempt to rectify the glaring injustice.

See Hansard of 1887.

#### Wholesale Bribery in Quebec. General Elections of 1887.

In the General Elections of 1887 the Tories had an immense campaign fund "milked" from contractors, who, of course, recouped themselves from the Public Treasury. Following are some of the expenditures:

Quebec County (Sir A. Caron, M. P.)	\$18,500 00
Three Rivers (Sir H. Langevin, M.P.)	10,800 00
Quebec West (Thos. McGreevy, M.P.)	8,000 00
Rimouski	2,750 00
Bellechasse	3,900 00
Portneuf	3,000 00
Champlain	3,000 00
Quebec East	2,300 00
Montmagny	2,200 00
L'Islet	2,500 00
Drummond and Arthabasca	700 00
Beaute	2,500 00
Laibiniere	1,350 00
Quebec Centre	4,100 00
Montmorency	2,700 00
Lewis	3,500 00
Berthier	1,600 00
Gaspe	3,000 00
Kamouraska	3,000 00
Temiscouata	2,250 00
Yamaska	4,000 00
St. Maurice	2,500 00
Charlevoix	3,000 00
Chicoutimi	2,250 00
Megantic	2,500 00
Dorchester	3,000 00
Charlevoix, again	1,000 00

Large sums were paid the subsidized press.

*Le Monde*, Sir H. Langevin's personal organ, received \$35,000. In all, between \$150,000 and \$200,000 "donated" by contractors, was used in Quebec district alone. (See *Hansard*.)

#### Haldimand election, 1887.

Until February, 1887, when Dr Montague was first a candidate in Haldimand, the county was considered safely Liberal. By one of the most disgraceful carnivals of corruption and fraud ever known in Canada, he succeeded in reducing the Liberal majority to 13, which was converted into a majority of 1 for Montague on a recount. The Liberals protested the election, and not only exposed the wholesale corruption which had been practised, but it was actually shown at the trial that Colter (Lib.) had a majority and should have been returned as the member. Dr. Montague had held the seat which had been stolen for him and had pocketed the sessional indemnity which rightly belonged to Colter.

#### The Haldimand Bye-Election, 1887.

At this election in November, 1887, one James Murray was deputy returning officer at Hagersville, and it was afterwards proven that he had spoiled eight ballots cast for Colter by marking them for Montague as well. In face of this Murray was again appointed deputy returning officer, notwithstanding the protests of the Liberals, and at the polling-place where he presided wholesale personation was carried on with his knowledge and assistance. Criminal proceedings were taken against him, he was committed for trial, released on bail and absconded to Buffalo, where he fully confessed his crime.

#### The Haldimand Bye-Election, 1890.

At this election in February, 1890 the disgraceful Franchise Act was worked for all it was worth. In almost every polling sub-division in the riding a few Liberal names were left off the voters' lists and some Tories added on the printing of the lists.

The Revising Barrister, Judge Upper, when questioned about it, said, "It must have been some mistake in copying." Dr. Montague, assisted by Col. Tisdale, M.P., Geo. Moir, of St Mary's, and R. W. Mutchmoor, worked at the poll in the Indian Reserve all day. Moir was stationed in a small log shop all day, of which the outside Tories carried the key, and the Indians were taken in one at a time where "business" was done. Mutchmoor held forth in a barn near the polling booth where "liquid joy" was dispensed. Of course, Dr. Montague was elected. (See *Globe*, Feb. 26, 1890, and March 1, 1890.)

#### Haldimand Election, 1891.

A deputy returning officer, Henry J. Ince, to whose appointment the Liberals had strenuously objected, went to the polling place on the Indian reserve the night before the election, and next morning, when the Liberal scrutineers arrived at the polling place, at 8.05 (55 minutes before the poll should have been opened), they found that voting had been going on for some time, and that a large number of bogus votes had already been polled. Some of those who had voted were dead, and others lived in the United States.

A number of Montague's agents were present, aiding and abetting in the fraud. Four of them were afterwards appointed to positions in the Customs. Ince was put on trial, but the jury disagreed, only one man holding out for acquittal. The poll clerk at this poll drove into the adjoining County of Brant and voted before five o'clock on the same day, after the Haldimand poll had been closed and the ballots counted.

A scheme which was successfully worked was the ballot exchange. This is accomplished by securing from the deputy returning officer a ballot marked for Montague with the deputy's initials thereon, and is given to the voter who has been "fixed." He deposits this in the box and returns with the one which has been given to him in the polling booth when he is "settled with." The ballot which he

brings out is forthwith marked for Montague, and is ready for the next subject."

Among those in evidence around the polling booth were R. W. Mutchmore and John Moblo, a relative of Dr. Montague, who was distributing seed grain among the Indians for the Government. The above facts were all proven in court at Cayuga, in March, 1901.

#### Dr. Montague's Letter to the Indians.

In the County of Haldimand, a good old Liberal riding, which has been stolen, not only once, but several times for Montague, the following circular was issued:

#### FOR INDIANS ONLY.

To the Indians—The Queen has always loved her dear loyal subjects, the Indians. She wants them to be good men and women, and she wants them to live on the land that they have and she expects in a little while, if her great chief John A., gets into government again, to be very kind to the Indians and to make them very happy. She wants them to go and vote and all to vote for Dr. Montague, who is the Queen's agent. He is their friend, and by voting for him every one of the Indians will please.

QUEEN VICTORIA.

On the head of this circular is the British Coat-of-Arms. Dr. Landenkin brought this matter up in the House on July 17th, 1891. Dr. Montague at once denied having anything to do with the circular. (See official "Debates," session of 1891, vol. 2, page 2,474.)

On July 21st the matter was again brought up in the House by Mr. Hyman, who read from the sworn evidence at the trial as follows:—"Dr. Montague, sworn: 'I recognize circular; think I saw it the first time the day before the elections, and can almost swear it was the first time I saw it.'"

"It was on the Sunday before the polling day that circular was written. Then again: 'I wrote part of the circular; I do not think I wrote more than one-half of it. I was aware on election day that they were distributed.' Then again: 'I must have got the circular on Monday morning. I gave a few away to show what nonsense they were.'"

Then there is the evidence of R. W. Mutchmore, who says:—

"The Doctor wrote it: I dictated it." (See official "Debates," session of 1891, vol. 2, page 2,587.)

#### The Dominion General Elections of 1891.

There is no doubt now that the Liberals won a majority of seats in the Dominion general elections of 1891 but that enough seats were stolen for the Tories to give them an apparent majority. Returns were juggled, ballot boxes stolen and stuffed after the elections, and every species of fraud resorted to in order to subvert the will of the people. The following are only samples of what took place in dozens of other constituencies:—

#### The West Northumberland Case of 1891.

Hargrave (Lib.) was declared elected by 36 majority. On the recount it appeared that a deputy returning officer, while the ballots were in his custody, had taken them out of the box and put them in his safe. While the ballots were in the safe, some one tampered with them with the result that, on the recount, there were found 55 for Hargrave—48 without initials, and actually printed upon different paper from the regular ballots, and with blacker ink, and 7 defaced by marks on the back. The 48 uninitalled ballots were all in four polling subdivisions, namely: 6 in No. 1, Cobourg; 19 in No. 2, Cobourg; 8 in No. 10, Hamilton Township; and 15 in No. 19, Haldimand Township. The seven defaced ballots were all in one division, No. 2, Cobourg. The deputy returning officers and scrutineers all asserted most positively that every ballot counted had the deputy's initials on them and that the defaced ballots had been defaced after the count.

Plainly, ballots were stolen and forgeries substituted. The Judge, however, refused to give effect to the fraud, and the Liberal candidate was declared elected, thus nullifying the base conspiracy.

### The North Middlesex Case of 1891.

On the night of the election Taylor (Lib.) had a majority of 3. The official figures of the Returning Officer gave Hutchins a majority of 2. In the middle of a pile of ballots that had been counted for Taylor (Lib.) were found three together marked for both candidates. *The extra marks had been made after the election.*

### The South Grey Election Case of 1891.

Dr. Landerkin's majority was 46. On the recount it was proven that *seven ballot boxes were opened after the election*, the envelopes holding the Landerkin ballots were taken out, 27 marked ballots abstracted and 26 forged ballots, marked for Blythe (Con.) substituted.

The polling subdivisions in which the fraud was perpetrated were Nos. 1, 10, 16, 18, 21, 24, 35 and 37. The deputy returning officers in divisions Nos. 1, 16, 21 and 24 made sworn declarations that their returns were correct, and that the ballots had been tampered with after they left their hands, and that the initials on the back of the substituted ballots were forgeries.

### The South Victoria Case of 1891.

Fairbairn (Con.) was declared elected by a small majority over Walters (Lib.). Large numbers of ballots marked for Walters were rejected by some of the deputy returning officers without reason. It was plain there was an organized conspiracy to count in Fairbairn. The Liberals asked for a recount and deposited a cheque with the Clerk of the Court for \$100, which he accepted as cash and gave a receipt for \$100. Judge Dean refused to hold the recount on the ground that the deposit had not been properly made. There was no appeal from his decision, and thus the Tories profited by the gross fraud of some of the deputy returning officers.

### The Muskoka and Parry Sound Election of 1891

At some polls the Liberal scrutineers were not allowed to vote, and as

many as four Conservative scrutineers voted on certificates, although the law permits only two at a poll. The Liberals were left off the voters' lists by the wholesale, and in some cases whole polling subdivisions were disfranchised. In the previous Ontario elections of June, 1890, there were 44 votes polled at French River (41 Liberal and 3 Conservative), and 64 at Frank's Bay (61 Liberal and 3 Conservative). *In this election there were only 11 names on the Dominion voters' lists at French River and not one at Frank's Bay.* The contents of two ballot boxes containing Liberal majorities were burned.

### The South Wentworth Case of 1891.

Carpenter (Con.) was declared elected by a majority of 72 over Middleton (Lib.). On a recount it was found that one deputy returning officer had returned a majority of 35 for Carpenter, when it was actually for Middleton, thus increasing Carpenter's majority by 70. In two polling booths more ballots were found in the box than the deputy returning officers had recorded in the poll book. Carpenter was ahead one vote in the recount. Fifteen good ballots for Middleton (Lib.) were wrongly placed in the envelope with the spoiled ballots. The Judge had no authority to open this envelope: the 15 ballots were not counted, and the Conservative was unfairly returned for the riding.

### The Prince Edward Election of 1891.

Miller (Con.) was returned by a majority of 39 over Dr. Platt (Lib.). On the recount it was found that some of the envelopes containing the ballots were not sealed and others bore unmistakeable evidences of having been opened after they were sealed. There were grave suspicions of fraud at that time and in view of what is now known to have taken place in many other constituencies, at that election there is little doubt that a gross fraud was perpetrated.

### The Chateauguay Case of 1891.

When Brown (Lib.) had a majority of 275, but by frauds similar to those

practised in Ontario, as before mentioned, it was pared down to only 9. He thus narrowly escaped being cheated out of his seat, and the electors foiled in their expressed wish of a representative.

#### The Brome Case of 1891.

The candidates were Fisher (Lib.), present Minister of Agriculture in the Laurier Government, and Dyer (Con.). The returns given out by the deputy returning officers on the night of the election gave Fisher a majority. The returning officer declared the vote a tie and gave his casting vote for Dyer. On the recount several packages of ballots were found open and bore evidences of having been tampered with. The result of the recount was to give Dyer a majority of 3. There is no doubt that Mr. Fisher was honestly elected.

#### The Carleton Election Case of 1891.

The fight was between Dickenson, Machine Tory, and Hodgins, Independent Tory. On the recount Hodgins charged that the ballots had been tampered with and that 18 ballots originally marked for Hodgins had been erased and marked for Dickenson. These Tories evidently know one another.

#### Swing Voters' Lists Under the Franchise Act.

What took place in North Perth in November, 1891, is only a sample of hundreds of similar cases all over the Dominion. It was proven at the Revising Barristers' Court in Stratford that one Henderson had sworn to a list of 150 names at the instance of the Conservative lawyer, one Shaw, and on being questioned on oath about them, admitted that he only had a personal knowledge of two of them.

#### The East Elgin Election Case of 1891.

A document, very much soiled and worn, was produced at the trial giving a memorandum of money corruptly spent in the East Elgin elections of 1891. It was in the handwriting of Mr. Thos. W. Crothers, barrister of

St. Thomas, and written on his office paper. It was headed "Memo. for A. B. Sum used \$2,500; disbursements." The document gave a long list of active Tory workers in East Elgin, with sums of money opposite their names amounting in all to \$2,065, and concluded with the words "Forward \$2,065." Crothers was put in the witness box and admitted that the document was in his handwriting and that the initials "A. B." were intended for A. B. Ingram, M.P., but tried to explain it as a joke. He said that he had got it soiled and worn by leaving it out under an apple tree for two weeks and then had it sent to the Liberal solicitor. The election was voided on other evidence of corruption so that the Judges were not forced to say whether they believed Crothers or not, but commented very severely upon his unprofessional conduct as shown by his own version of the affair.

#### East Elgin Bye-Election of 1892.

The lists used at this election were shamefully stuffed. The Liberals could not get the revised lists from Ottawa until a few days before the election. When they did get them they found that hundreds of Liberals who owned property, and who had lived in the riding for years, had been left off the lists, while Tories who had not lived in the riding for a number of years, and some who had not earned enough money in years to entitle them to a vote were on the lists as big as life. For two days before the election every train going into St. Thomas was crowded with voters coming in from British Columbia, Manitoba, Dakota and all parts of the United States. Of course, Ingram was elected.

#### The East York Dominion Bye-Election of 1892.

The voters' lists on which this election was held contained a great number of bogus voters, nearly all of which were polled for the Tory candidate, W. F. Maclean, M.P., who said after the election, "I tell you, boys, the revision of the lists is where we won the fight."

### The London Voters' List Fraud of 1892.

The Liberals appealed against over 600 names put on the lists by J. H. Fraser, the Tory Revising Barrister. The form of notice which they used had been previously approved by the Revising Barrister, yet when the cases came to be heard he rejected the notice on the ground that it was insufficient, but allowed an amendment and directed new notices to be served. The Tories appealed to Judge Elliott, who refused to make any ruling, admitting that he had no jurisdiction, but expressing the opinion that the notice was invalid. The Revising Barrister then took the ground that in deference to Judge Elliott, he could not hear the objections. The Liberals appealed to the Divisional Court, consisting of Justices Armour, Street and Falconbridge, who unanimously granted a *mandamus* compelling the Revising Barrister to hear the objections. He obeyed, and ruled that 230 of the names were wrongfully on the lists. The names, however, were allowed to remain, pending an appeal by the Tories to the Court of Appeal. This Court, composed of Justices Haggarty, Burton, MacLennan and Osler held that the notice was good. The Tories then appealed to the Supreme Court, and while the Appeal was pending in that Court, the election was held on February 26th, 1892. One hundred and thirty-one of the illegal votes were polled, notwithstanding the vigorous protest of the Liberals, and 128 of them were for Carling and 3 for Hyman. Not counting these illegal votes, Hyman was elected by a majority of 16, yet the Tory returning officer declared Carling elected by 109 majority. Carling took the seat belonging to Hyman and held it until 1896. On March 9th, 1892, when Carling's election depended upon the counting of the illegal votes Judge Elliott decided the appeal heard before him in Nov., 1891, holding the notices invalid and reversing the decision of seven superior Judges. On May 9th, 1892, the Tory majority in the House of Commons voted down Mr. Lister's motion for the investigation of Judge Elliott's partisan con-

duct. Mr. Mulock charged on the floor of the House that Judge Elliott had written partisan editorials on the subject for the London *Free Press* (Tory), while it was standing for his judgment. (See *Household*, May, 1892.)

### The Chicoutimi Bye-Election of 1892.

The candidates were Savard (Lib.) and Belley (Con.) and another. At the last moment the returning officer telegraphed a man named Gosselin to hold a poll at Point aux Esquimaux. His telegraphic instructions were:—"Proceed to-morrow as follows: Go a small wooden box made, prepare a certain number of ballot papers and write the names of the three candidates upon them." And again on the day of the election he wired: "If you have no list allow those who are supposed to be electors to vote and it will be all right." The deputy took the hint and returned 63 votes for Belley (Con.) and none for Savard. Belley had 39 majority in the riding. Without these votes Savard was elected by 24 majority. The returning officer declared Belley elected, and a recount was asked for. It was held before a Judge who was a brother-in-law to the Tory candidate. He counted the 63 votes, and Belley took the seat and held it until 1896, backed by the Tory majority in the House.

### Kent, N.B., Bye-Election of 1892.

The candidates were McInerney (Con.) and Leblanc (Lib.). At Ba-touche Bay the Conservative scrutineer was permitted to mark the ballots of 52 illiterate voters who desired to vote for Leblanc. He made the crosses so that part of the cross on each came down over the line between the names of the two candidates, and the deputy returning officer refused to count them. The Tories also worked in this election the ballot exchange which did such good execution on the Indian Reserve in Haldimand. (See above.)

### Dr. Nesbitt's Deal for the Tory Nomination in Cardwell.

In October, 1894, it was on the boards that R. S. White, M.P. for

Cardwell, was to be appointed Collector of Customs at Montreal, thus creating a vacancy in Cardwell. W. B. Willoughby, barrister of Toronto, had the Tory nomination for the riding. Dr. Beattie Nesbitt was very anxious to get into Parliament, and made a disgraceful bargain with Willoughby to get Willoughby to retire in his favor. Nesbitt had recently been appointed chairman of Whitney's organization committee. The agreement was put in writing, and was in Willoughby's handwriting on three pages of the letter paper of the firm in which Willoughby was a partner. Nesbitt agreed to pay Willoughby \$350 for his nomination and \$1,000 on his election for Cardwell; to appoint Willoughby his election agent and his solicitor in the event of a protest being entered; to use his influence towards the settlement of a claim of one Jennie Bolton against Willoughby and to procure her an appointment to a position; to procure the appointment of Willoughby as a County Court Judge, and in the event of his failing to do so, to pay Willoughby \$4,000; to transfer to Willoughby the conduct of all his legal business; to have Willoughby appointed a Queen's Counsel and to have Willoughby's brother promoted to the grade of second class clerk within two years after Nesbitt should enter Parliament. A pretty bargain, indeed! The full text of the written agreement was published in the *Toronto Globe* on Dec. 22nd, 1895.

#### The Manitoba Election Frauds of 1896.

It was proved before the Public Accounts Committee that wholesale frauds were perpetrated in Manitoba during the Dominion General Election of 1896. The conspiracy was hatched in Winnipeg. One Freeborn went up from Ontario, stating that he came from the chief organizer of the Tory party, Mr. N. Boyd, the Conservative candidate in Marquette, to whom Freeborn was sent, telegraphed to the organizer, and received in answer:—

"He was a first-class man in North Bruce."

Freeborn was therupon employed in the election, and his employment was for the express purpose of teaching de-

puty returning officers how to manipulate ballots. In this nefarious business he was helped by two men named Anderson and Waller. These three worthies went through the Province into several constituencies, and it was proved by incontestable evidence that they instructed many deputy returning officers, through whose crimes hundreds of Tory ballots were substituted for Liberal ballots. Several of the criminals confessed their guilt; prosecutions were entered against others, and some of them were convicted.

This man Freeborn swore that he got certain instructions from one Turner, he told him they were given him by the Conservative organizer in Toronto. These instructions read:—

"We have the printing of the ballots, therefore a sufficient number should be printed extra to enable the deputy returning officer to have them marked for our candidate and ready to use after the count to replace those read out wrongly to the scrutineers. Or the deputy returning officer can have them marked and folded in his pocket to slip into the box in place of an opposition ballot if the opportunity happens. This, of course, will occur quite frequently if we have the control of both scrutineers."

"To get control of both scrutineers have one of our men, not a prominent one, but a supposed kicker, for instance, apply to the opposition to be put on as scrutineer inside. They are generally short of workers and a few plausible men will turn the election in a close constituency. Or the man can write to their headquarters for scrutineer papers if he lives in the country."

"Efforts should be made to make these methods work in wards that give the heaviest opposition vote."

"Having control of both scrutineers, a large vote can be polled—dead and absent voters, etc., can have their ballots marked; there is no redress if both scrutineers were present."

"A friendly constable should be present to keep the poll clerk of loungers and inquisitive people."

"The deputy returning officer should be a reliable, sharp and plausi-

ible man, so that if we do not get control of the opposition scrutineer, he can, when the counting time arrives ask both scrutineers to take a piece of paper and record the vote of their candidate as he reads the ballot, which have been emptied on the table. He will then have a chance to read out wrongly, so that a majority can be secured for our candidate. The ballots should be put back into the box as quickly as they are read. The extra ones will do to fix things correctly when he goes home.

"Spoiled ballots can be made sure by a little doctoring. Opposition ballots can be spoiled by the lead out of a pencil fastened under the little finger with beeswax, drawn across opposite our candidate's name in opening the ballot.

"If you cannot get control of opposition scrutineers, have your deputy returning officer announce that he is against you, so as to lead him astray if possible."

In the city of Winnipeg, where 5,000 or 6,000 ballots would have been sufficient in an honest election, there were 10,000 printed, and yet all had been used up at two o'clock and the polls had to be closed while more were printed. Altogether the Manitoba elections furnished an instance of the boldest and most colossal election fraud in history under the auspices of the "party of purity."

#### Further Evidence of the Tory Plot to Steal the Seats of Liberal Members in 1896.

The above circular of instructions points out four methods of doing up the Grits as follows:—

- (1) *Slipping*—(i.e. calling out a ballot for the Tory candidate when it is in reality marked for the Liberals.)
- (2) *Switching*—(i.e. stealing ballots marked for the Liberal candidate, and putting into the ballot box ballots marked for the Tory candidate.)
- (3) *Stuffing*—(i.e. polling votes of dead and absent men with the connivance of both scrutineers.)

(4) *Spoiling*—(i.e. by marking a mark on the ballots marked for the Liberal candidate opposite the name of the Tory candidate with a piece of lead fastened under the finger nail.)

The extent to which the last method (Spoiling) was practised is shown by the very large number of rejected ballots in 1896 as compared with other elections. The following table is taken from the official returns:—

	Number of Rejected Ballots in 1896	
Addington .....	181	32
Bothwell .....	167	37
Brant South .....	165	32
Brockville .....	101	38
Bruce East .....	133	34
Bruce West .....	115	16
Cornwall and Stormont .....	103	42
Durham East .....	59	6
Elgin East .....	99	32
Essex North .....	96	38
Grey North .....	125	37
Hastings East .....	79	25
Hastings West .....	84	27
Huron South .....	70	8
Kent .....	189	49
Kingston .....	215	33
Lambton East .....	133	25
Lambton West .....	70	10
Lincoln and Niagara .....	136	47
London .....	206	47
Middlesex South .....	100	23
Muskoka and Parry Sound .....	175	58
Norfolk North .....	114	acel.
Perth South .....	120	14
Prince Edward .....	115	25
Russell .....	72	22
Simcoe East .....	93	23
Victoria South .....	78	20
Waterloo South .....	164	28
Wellington Centre .....	129	22
Wellington South .....	101	13
Wentworth South .....	304	50

#### The East York Dominion Election of 1896.

The candidates were W. F. Maclean (Conservative M.P.) and H. R. Frankland (Liberal.) Frankland was declared elected by the returning officer by a majority of 86. Maclean succeeded in getting the seat by a majority of 3 on the recount. Some ballots were allowed to him on the recount which did not have the initials of the deputy returning officers. Strange to say, these ballots were all marked for Maclean. In St. Mat-

hew's and St. Paul's Wards, which are part of the city of Toronto, but which were then in East York for Dominion electoral purposes, the voters' lists were stuffed with the names of hundreds of Tories who had not the least foundation of a right to be on the list. Nearly all of these men voted, and, needless to say, they voted for Maclean. On election day an organized gang of pluggers operated from Toronto in Maclean's interests. Frankland had a large majority of the honest vote polled in East York.

#### North Ontario Election of 1896.

The candidates were Duncan Graham (Independent with Liberal support), and John A. McGillivray (Conservative.) The Tory returning officer declared McGillivray elected. Mr. Graham applied for a recount of the ballots. Upon opening the envelopes it was found that the ballots had been tampered with in a most rascally way in five polling subdivisions, namely:—No. 4 (Thorah), No. 18 (Brockville), No. 19 (Town Hall, Mara), No. 27 (Bracebridge), and No. 3 (Draper.) In these polls 21 ballots marked for Graham had been extracted, and 21 marked for McGillivray substituted therefor. The substituted ballots were not even folded, and His Honor Judge Burnham, before whom the recount was held, expressed the opinion that they were fraudulent. Major McGillivray occupied the stolen seat in the House for one whole session, and pocketed the sessional indemnity, which rightly belonged to Mr. Graham.

#### The Lincoln Election of 1896.

In the Lincoln election of June, 1896, an organized and dastardly attempt was made to steal the seat for J. C. Rykert from Wm. Gibson, M.P., but, fortunately, Mr. Gibson's honest majority was so much larger than his opponents anticipated that the plot failed.

The returning officer, one Wm. J. Carroll, was a partner of the secretary of the Conservative Association, one Potter. During the election Carroll was kept intoxicated by Potter and

other Conservatives, in order to allow Potter and others to perform the duties of returning officer. The ballots used at the election were printed at the office of the St. Catharines Star, the Conservative organ, and 500 extra ballots were printed and deposited in the safe of Potter and Carroll to be used for fraudulent purposes. A number of shady characters, one of them an ex-convict, were appointed to act as deputy returning officers at various points in the riding. The names of about ten of these deputy returning officers were not disclosed until after midnight of the night before the election, and only then after repeated requests on behalf of the Liberals. About two days before election these men met by appointment at the Breen House, in St. Catharines, where they met one Quakenbush, a Yankee from New York State and were by him instructed how to substitute Rykert ballots for those marked for Gibson, and for that purpose were supplied by Potter, Quakenbush and McNulty, the proprietor of the hotel, with a large number of duplicate ballots to enable them to carry out the fraud. They were each paid a sum of money on account, with the promise of a bonus to the man who would steal the largest number of ballots. The man who gave the instructions was imported from the United States for the purpose. Over 300 duplicate ballots were supplied to these deputy returning officers, and a large number of them were used. (See Hansard of May 17th, 1900.)

#### The Parry Sound Election of 1896.

In this election the candidates were W. H. Pratt (Liberal), Geo. McCormick (Conservative), and Col. O'Brien (McCarthyite), and Mr. McCormick was declared elected. Some time afterwards over forty ballots were discovered in one ballot box which had been marked for Pratt and O'Brien, and plainly tampered with. In some cases the crosses opposite Pratt's and O'Brien's names were erased, but done so clumsily as to be detected with the naked eye. In other cases a cross had been put opposite McCormick's name

different an appearance to the cross originally put on the ballots. The conspirators found that the work had been done so clumsily that they substituted new ballots, and failed to make away with the original ones. If ever forty votes were stolen in one polling subdivision, is it not a fair inference that there was an organized plot which resulted in the seat being stolen for the Tory candidate? (See Hansard of May 17th, 1900.)

#### The London Election of 1896.

The candidates were Major Thos. Beattie (Con.) and C. S. Hyman (Lib.) The Liberals felt that Mr. Hyman had been fraudulently deprived of his seat in 1892 and conducted a vigorous campaign to elect him in 1896. He received a large majority of the honest votes, but was again deprived of the seat through one of the worst carnivals of corruption and fraud ever practised in Canada. The returning officer refused to disclose the names of his deputies and the Liberals had not the slightest idea who these men were until they appeared at the polls on the morning of election day. The instructions contained in the circular sent out from Conservative headquarters in Toronto were very faithfully carried out in many of the polling subdivisions. There were 296 rejected ballots, nearly all of which were "spoiled" in accordance with the instructions. From the official returns it would appear that this work was carried on in 15 out of the 26 polling subdivisions in the city. In 6 subdivisions there were no rejected ballots whatever; in 2 subdivisions there was only one rejected ballot in each, and in three other subdivisions there were only two, three and four respectively. In 11 subdivisions there were only 16 rejected ballots, a reasonable number for an intelligent electorate, but in the other 15 subdivisions there were 280. In one subdivision, No. 8, the deputy rejected over 40 ballots marked for Hyman, on the excuse that he could not recognize his own initials. These, however, were counted by the Judge on the recount.

It was proven at the trial of the election petition that the London Conservative Association had a large building fitted up as a club room, in which were a billiard and pool room, card rooms, smoking rooms, reading rooms, and the whole of the top floor was ostensibly used as a gymnasium. This gymnasium, however, was used as a lockup for Liberal voters. It was stocked with whiskey, beer, sandwiches, crackers and cheese, etc., and large numbers of voters who were disposed to vote for Hyman were enticed into this place and invited to partake of something. They then found themselves locked in with several "bouncers" in charge and a guard on the door outside who could view the scene through a little peep-hole in the door. Some of these victims were roughly handled and one man was confined to his bed for several days as a result of the injuries received in trying to escape from the place.

Men were detailed to look after the non-resident voters. A large number were brought from Detroit, Toronto and other places and received their railway tickets and sums of money ranging from \$4 to \$10 each for their votes.

As an instance of the desperate means resorted to in order to elect Beattie, one man was paid \$20 for his vote by the chairman of one of the Tory ward committees on the pretence of buying from him an empty cigar box.

When the petition came on for trial over 20 men who had been concerned in these disreputable practices, and who had been served with subpoenas to appear and give evidence, failed to respond to their names when called. These men were all sent to the United States by the Tory managers, as they could not be depended upon to "swear the thing through." A well-known Toronto Conservative, who had "attended to" the voters living in Toronto, developed a sudden attack of "subpoena fever" and went to the Southern States for his health.

Notwithstanding all this saturnalia of corruption, personation, ballot stuffing and every species of electoral fraud known to the most expert elec-

tion crooks, Major Beattie was only returned by 41 majority. He, however, occupied Hyman's seat in the House for over four years.

#### The Tory Ballot Box Frauds of 1891.

The ballot box frauds of 1891 are fully dealt with in a speech delivered by Dr. Landerkin, M.P., in the House of Commons, on Sept. 14th, 1891. (See Hansard, session of 1891.)

The operations of the gang of pluggers, personators and side-line artists, who did business under the directions of the Tory machine of 1892, are dealt with in a speech delivered by Mr. Lister, M.P., in the House of Commons, on May 30th, 1892. (See Hansard, session of 1892.) This gang operated in South Victoria, East Flin-  
gin, East Hastings, East Bruce, London, East Simcoe, South Perth, West Northumberland, West Huron, Haldimand and other constituencies.

The frauds of 1896 are fully dealt with by Mr. Cowan, M.P., in a speech delivered in the House of Commons on May 17th, 1900. (See Hansard, session of 1900.)

#### The Rykert Timber Limit Scandal.

Which a sub-committee of the House was forced by the evidence to declare as "discreditable, corrupt and scandalous." Mr. Rykert, Conservative M.P. for Lincoln, purchased from the Conservative Government certain valuable timber limits for a trifle of \$2,500. An agent who examined the limits was bribed with ten thousand to give a false report, upon which the limits were sold for \$200,000, which the beneficiary pathetically described as "a fund for his old age." In the correspondence there occurred the following messages: "I have Bowell working for me. John A.'s son, from Winnipeg, is here, and I intend employing him to go to his father.... I think if you had young Tupper here and paid him pretty well, it would help us materially.... I have brought Macdonald and Tupper from Winnipeg and hope they will be able to induce their fathers to act prompt-

ly....they have been working hard for me." After the limits had been secured Rykert wrote to Adams: "If you can get \$200,000 in cash I would be inclined to let it go, and then go in for something better still." "We deserve something for the trouble we have gone to and the amount of cash we have lost over it." The House concurred in the report of the sub-committee as above quoted. The Tories of Lincoln afterwards nominated this same J. C. Rykert as their standard bearer.

#### The McGreevy-Langevin Scandal.

Only the figures need to be given, they are eloquent enough:

Cost to contractors of work built.....	\$1,184,260
Cost to the country .....	3,138,224
Contractors' profit, a great part of which went into the Tory campaign fund.....	958,975
Loss to country, after deducting fair profits .....	700,000

#### Seneca's Commissions.

Amounting, on printing Bureau contracts, to ..... \$ 50,000

#### The Curran Bridge Scandal.

Estimated cost .....	\$122,000
Government commission estimate of reasonable cost .....	160,000
Actual cost .....	430,000
Loss to country and gain to Tory campaign fund .....	270,000

#### Dredging of the Wet Basin.

In the winter of 1886-7 the Tory Government gave a contract to dredge 800,000 cubic yards at 25 cents per yard, although more difficult work of the same nature had been executed at 27 cents per yard and for less.

The contractors made a profit of \$174,787.

The Dominion general elections of February, 1887, were coming on, and Thos. McGreevy, as treasurer of the Tory campaign, received from the contractors out of this sum, \$25,000.

Mr. McGreevy expended out of this sum to further his own election in Quebec West, \$5,000.

### Levis Graving Dock.

Thos. McGreevy agreed to secure the contractors the contract on condition that he should receive all over \$50,000 of the contract price. The Tory Government paid them in all, including claims for alleged damages and extras, \$189,000.

Profit of contractors .....	125,000
Paid to McGreevy, treasurer of the Tory campaign fund.....	22,000

### The Cross-Wall Contract.

Amount paid to contractors .....	\$ 832,448 00
The contract was awarded to the highest tenders. Loss to country by not accepting lowest tender...	70,000 00
Contractors paid to treasurer of Tory campaign fund for the contract...	25,000 00

### The Esquimalt Dock.

Contract let to the contractors for...\$ 374,559 00	
Excess over tender of Starrs and O'Hanly for same work .....	35,614 00
Amount paid to contractors .....	581,841 00
Contractors' profits .....	240,970 00
Donation out of this contract to treasurer of Tory campaign fund...	27,000 00

### Section "B" Scandal.

This contract involved an expenditure of over \$4,000,000. On September 23rd, 1891, Mr. Lister made charges on the floor of the House that Hon. J. G. Haggart was beneficially interested in the contract, and that large contributions had been made by the contractors to the Tory campaign fund, and asked for a committee to investigate. The Tory majority buried the enquiry by voting down the motion, and thus whitewashed Mr. Haggart.

### The Harris Land Job.

The Tory Government purchased a piece of property in St. John, N.B., for \$200,000. The owners swore it was worth \$93,401, and the assessed value was \$60,000. Mr. Adams, Conservative M.P. for Northumberland, N.B., denounced the purchase as a "job," and said it was purchased for three times its value.

### The Cochrane scandal.

Mr. Edward Cochrane, Tory M.P. for East Northumberland, was shown

to have been trafficking in petty offices in his constituency for personal gain. It was proven that the Tory party in East Northumberland were in debt to the extent of \$1,000, arising out of the elections, for \$619.69 of which Mr. Cochrane was personally liable. In order to pay off these liabilities certain persons were appointed to such positions as bridge tender, light-house keeper, etc., and were "milked" to the extent of from \$125 to \$200 each. The Tory majority in the House whitewashed Cochrane, and he is still a member of the House, and an ardent supporter of the Tory party.

### The Tay Canal.

This is a ditch running from the Rideau Canal, six miles to the town of Perth, the home of Hon. John Haggart. In 1882 a vote of \$50,000 was asked, and the total cost was estimated at \$132,600 exclusive of the land required.

In 1883 another vote was asked, and the cost estimated at \$240,000.

In 1884 another \$100,000 was asked.

In 1887 it was stated that the cost to date had been \$256,000 and \$55,000 more was needed to complete the work, which was accordingly voted.

In 1888 another \$78,000 was voted, and the statement made that the work was completed.

In 1889 another \$25,000 was voted to "complete the work."

In 1890 another sum of \$11,000 was voted "to settle with the contractors and finish the canal."

Afterwards, and in the same session, \$20,000 was asked and voted.

In 1891 another \$30,000 was wanted "complete the canal."

Another \$18,466 was expended on an extension to Haggart's mill without the sanction of Parliament. A motion condemning the unauthorized expenditures was duly voted down by the Tory majority in the House.

The annual cost of maintenance was about \$28,000. The revenue for 1891 was \$58.81. In 1893 it was *nil*.

### The Cochrane Scandal.

An entirely useless piece of work.

Original estimate .....	\$ 44,000
Final estimate .....	76,000
Actual cost .....	300,000

### The Galops Channel.

Original estimate .....	..... \$300,000
Actual cost .....	..... 900,000

Hon. Mr. Haggart officially announced in the House, after all this expenditure, that *no one will use it.*

Space does not permit of an account of all the scandalous and corrupt acts of the Tory Government. Besides those above mentioned, we have the following:—

The Langevin Block,  
The St. Charles Branch,  
Land Grabbing in the Northwest.  
The Caraquet Railway Scandal,  
The Turcotte Whitewash,  
The Dead Meat Scheme,  
The Blind Shares Scandal,  
The Oxford and New Glasgow Railway.  
The Yamaska Dam,  
The Farnham Post Office,  
The Looting of Furs in the Northwest.

### The Nest of Traitors.

During the last years of Conservative rule matters went from bad to worse, and it was no wonder the country did not progress. While the members of the Government were quarrelling and instigating election rascallities the people stood aghast in amazement; the people by their votes, however, turned the "nest of traitors" down.

The year 1896 will go down in history as the year in which the Tory misrule received its quietus in Canada. It was in the early days of that year that the dissensions and bickerings which had been going on for months in the Tory Government culminated in the strike of the "Seven Bolters," which was aptly described by the then Premier, Sir Mackenzie Bowell, as "the blackest piece of political treachery—the blackest piece of political treachery on record."

The Ministers of the Crown, the sworn advisers of Her Majesty in Canada, had been quarrelling amongst themselves for months. It is a well-known principle of Constitutional Government that the Ministers of the Crown must be in perfect harmony one with another, and when they fail

to agree a change in advisers is imperative. Yet here was a crowd of men, some of whom were not on speaking terms, and one of whom accused another of them of writing anonymous letters vilifying his character, holding on to office week after week and month after month for the sake of gain. And all the time the Canadian public were being told by these same men "that never was the Cabinet more united than it is at the present time."

In the latter days of 1895 the Tory Government realized that its days were numbered, and that at the first opportunity the people of Canada would drive them from office. The gang of professional politicians who had been living on the Canadian public, men who could not earn a livelihood in any other way, and some of whom were actually members of the Cabinet, became alarmed and realized that something desperate must be done. They had to face the electors in a number of bye-elections, and a conspiracy was hatched to make a scapegoat of the Premier, Sir Mackenzie Bowell, who was considered by them as a "stubborn old nuisance." Sir Charles Tupper, who was then High Commissioner in London, was secretly sent for. He could be relied upon, at any rate, to let the Boodlers and Grafters dip into the public chest at their own sweet will. The general elections must take place immediately after the then coming session, and an immense campaign fund had to be provided if the gang were to have a ghost of a chance to hang on to office. In answer to the secret invitation of the conspirators, among whom was Tupper, Sir Charles left for Canada, ostensibly "to consult the Government respecting the Fast Atlantic Steamship Service." Parliament was called together for January 2nd, 1896, and meanwhile "the Cabinet was never more united."

Then came a blow which the conspirators had not anticipated. On December 24th the good old Tory riding of Cardwell elected an opponent of the Government by over 300 majority. On December 27th, in Montreal Centre a Liberal was elected by over

300 majority, where a Tory had been previously elected by over 500 majority. On December 30th the old Tory riding of Jacques Cartier elected a Liberal by over 500 majority. Three such blows within a week was appalling, and the crowd became panic-stricken. A portion of the Tory press began to agitate for a change in the leadership.

Parliament met on January 2nd, 1896, and a speech from the Throne was read and the House adjourned. Still no signs of the impending "bolt." The House was to meet again on the 7th. On January 4th, the "Seven Bolters" got in their work. Hon. Geo. E. Foster, Hon. Sir. C. Hibbert Tupper, Hon. Dr. Montague, Hon. John Haggart and others sent in their resignations as members of the Government. On January 7th the announcement was made in the House by Sir A. P. Caron, the temporary leader of the Government in the House. A carefully prepared statement was read by Hon. Mr. Foster who seemed to be the leader of the "Seven Bolters." This statement has been characterized by old parliamentarians of both sides of politics as the most cold-blooded utterance ever made in a British Parliament, and a Tory newspaper referred to Foster as "Judas Iscariot." Sir Adolphe Caron moved that the House adjourn for two weeks, but the Opposition objected and the House adjourned for the day. It was then that Sir Mackenzie Bowell said, "I HAVE BEEN LIVING IN A NEST OF TRAITORS." No truer words were ever uttered by a public man.

The House met again on the 8th January only to adjourn. On the 9th the House adjourned until the 14th. In the meantime a determined effort was made to freeze out old man Bowell, but the "stubborn old nuisance" hung on. Then the conspirators began to realize that there was a danger of the whole thing going to smash and that their salaries as "Her Majesty's advisers" were in danger of being lost, and they began to eat humble pie. Eventually a compromise was effected by which Tupper, father, took the place of Tupper, son,

in the Cabinet, and the "cats came back." Sir Charles Tupper eventually succeeded to the leadership of the party only to drag it down to defeat a few months later. He got his seat in the House by the appointment to the Senate of Mr. McKeen, M.P. for Cape Breton, a safe Tory riding, for which Sir Charles was afterward elected.

Thus ended, for the time being, one of the most diabolical conspiracies ever hatched. No wonder a leading Tory paper referred to them as "a gang of cut-throats and rebels." Yet some of these same men are among the leaders of the Conservative party to-day, and, in the event of a change of Government, would again be among His Majesty's advisers. What a sorry plight for a political party to be in.

#### A New and Bright Era.

After the elections of 1900 under Liberal management of the thousands of persons acting on behalf of the Crown not a charge was brought against a single one of them, or against a single Liberal worker. No petition was pressed against the return of any Liberal (in Ontario), but at least two Opposition seats, West Durham and North Bruce, were declared vacant for bribery and corruption. In one of the bye-elections that followed the unseating of the Opposition candidate, the Grits were abused in a most reckless manner; one speaker exclaimed, "The Grits are a desperate gang," "No brimstone is hot enough for Grits."—See *Toronto Telegram* (Independent Conservative) Jan. 16th, 1902.

In spite of all this the Liberal candidate was elected and confirmed in his seat without a murmur.

In a bye-election in St. James' Division, Montreal, in 1892, a few over-zealous workers committed breaches of the election law, but the law was enforced and some of the accused were imprisoned. When the Conservatives were in power everybody was protected, no one was punished.

Since the Liberals took office in 1896 there have been no scandals of any kind in connection with the adminis-

tration of Canada's affairs or rascally conduct in the duties devolving upon the government in the management of elections. Reckless charges have been made, it is true, but they have all vanished to nothing but imagination under the fierce fire of investigation.

As every one knows the Public Accounts Committee is at liberty to investigate every item of expenditure and members of both sides of the House who are members of the Committee, avail themselves of every opportunity in this respect, and at the close of each year's proceedings so well satisfied are the members of the Committee that a vote of thanks is moved and earnestly offered by the Committee to the chairman for his impartiality, etc.

The chairman for some years after 1900 was the Hon. D. C. Fraser, M.P., of New Glasgow, Nova Scotia. The vote of thanks in 1903 was adopted on motion of James Clancy, M.P., Conservative member for Bothwell, and that of 1902 was adopted on motion of A. C. Bell, M.P., Pictou, Nova Scotia, and E. A. Lancaster, M.P., Lincoln, Ont., both Conservatives.

The work of this Committee is somewhat exacting, but under the present administration it has always been pleasant. Everything brought up was investigated and inspected just as the books of well regulated and well managed financial institutions are annually examined and the officials court investigation because they know everything has been properly done.

### Some Ontario Matters.

So much has been said by the Dominion Conservative Leaders, and Conservative newspapers all over the Dominion about Ontario Provincial Politics, that it is necessary to refer to these matters here in order that our friends all over the Dominion may be put in possession of the facts. The constant themes of the Tory Stumpers, when they are desirous of making a point against the Liberals, are alleged crooked work in the Bye-elections in

West Huron, West Elgin and North Waterloo. And yet it has been shown beyond controversy that the evidence upon which they ask the public to condemn the Liberals has been purchased.

### Evidence purchased in connection with the West Huron Investigation.

Whilst the huge protest fund (\$40,000) raised by the Tories after the Ontario General Elections of 1898 lasted, Tory workers did not want so long as evidence could be bought. After the West Huron Dominion Bye-election of 1899 something had to be done to discredit the Liberals in order that the opposition might influence the public mind with reference to the Provincial situation in West Huron. Hansard records the facts below:

M. K. Cowan, M.P., speaking on the floor of the House of Commons, as reported in Hansard of May 17th, 1900, said:

"I tell hon. gentlemen opposite that he is still within the jurisdiction of Canada; I tell them that Farr was in Toronto, and is in Canada, and if this statement is false they can arrest Mr. Farr. But they have not done it, and why? It is because the statement is true. It is because Mr. Mitchell, the town clerk of Goderich, a Conservative, a man appointed by the Goderich town council, swears that he saw Farr's ballot and that it was marked for Mr. McLean, the Conservative candidate in West Huron. I am not going to depend on the evidence of a man named Farr; I am not going to ask this House to believe the uncorroborated statement of Farr, even though he has not been proven a self-convicted liar and perjurer as Pritchett was." (Reads affidavit of one Farr). "That is the affidavit of Farr. I do not know whether that affidavit is true or not, but I do know, and every gentleman knows, that Mitchell swore in the box that he was a Conservative. Mr. Mitchell holds the respectable position of town clerk in the town of Goderich, he goes into the box and swears that Farr is absolutely cor-

rect because he saw his ballot, and yet hon. gentlemen opposite have arisen in their places and have scorned the idea that Farr voted for Mr. McLean. In making such a statement, these gentlemen opposite say that not only is Farr a liar, but that their own supporter, Mitchell, swore falsely when he swore to the circumstances which was within his own knowledge. Every man and every lawyer knows that when a fact is against the interest of a man, and he swears to it, then that can be given double weight because he is swearing against his own interests. Mitchell was swearing against his own interests and against the interests of his own party, for he knew he ought not to have seen Farr's ballot. But, sir, when it comes to scoring a point against the Liberals of this country hon. gentlemen opposite have no scruple in saying that Farr is a liar, and that Mitchell is a perjurer, and that Farr was our special tool and voted for Hemes. Here is an affidavit with a minute particularity of detail that must carry the conviction of truth, as gentlemen opposite argue. Farr swears:

"Thomas Marshall and James Nelson, who gave evidence before the committee at Ottawa, were not correct in their statement as to when they last saw me before giving their evidence at Ottawa. I saw them on the same day as they left for Ottawa, and was told by Nelson that they had got some easy money from Mr. W. D. McPherson, the lawyer, on Sunday afternoon, and that the said McPherson wished them to make a statement of their evidence so that he could take it down and post them what to say at Ottawa.

"I asked Thomas Marshall how much they had got, and he said \$6.00, with a promise to make it more if the evidence was good and strong. The said Marshall and Nelson have informed me since their return that they each got \$13.20 at Ottawa as witness fees, and as they were away ahead on the transaction they had each bought a new suit of clothes. Nelson also said that it had been a Godsend for him, and he hoped he would get a chance to make another raise in the same way. He also told me that W. D. McPherson, just before bid-

ding them good-bye at the train on the Sunday evening when leaving for Ottawa, had impressed upon them the necessity of telling a story that would look all right, and that if they did that he would not forget them."

### Bought in North Waterloo.

In 1898 Dr. Lackner (Conservative) was elected M.P.P. for North Waterloo, but was subsequently unseated by the courts for corrupt practices. In the bye-election following L. J. Breithaupt (Liberal) was elected to represent the riding, and he was subsequently (1899) unseated but shortly after, on account of the methods adopted to unseat Breithaupt, he (Breithaupt) was allowed to be elected by acclamation, though the riding in both Dominion and Provincial affairs has, since 1896, shown a tendency to be with the Opposition.

In the unseating of Lackner there was not even in the mind of the most prejudiced a suspicion that witnesses had been bought or tampered with in any way.

In the election trial against Breithaupt the Conservatives had two star witnesses, whose names were Allan R. Shantz and Albert Bossard. Shantz gave evidence of alleged ballot stuffing, and Bossard had a weird tale of bribery and corruption. No doubt the Judges at the trial were influenced to a certain extent by the stories told by these men, and all of Mr. Whitney's denunciations have been based on their evidence. And now it transpires that both of these men were bought to give their evidence, and it is proven out of their own mouths. Here is what Shantz was forced to admit on oath:—

Q. What bargain was ultimately made as to your telling?

A. I was to get paid for it.

Q. How much?

A. That was left to them at the time.

Q. Who do you mean by them?

A. Ed. Scully.

His Lordship (Meredith)—How much were you to get? What was the bargain afterwards?

A. They deposited a cheque for \$50.00.  
 His Lordship (Osler)—Who?  
 A. Mr. Reid has the cheque  
 Q. Whose was the cheque?  
 A. It was signed by Mr. J. M. Scully  
 (President of the Conservative Association)

Q. (Reading from letter written by Shantz to one Lewis)—"As I have been fooled so long, I must have the same in twenty-four hours or I will close the deal with the others for more. I am determined to sell." Sell what? Your evidence, you mean?

A. I suppose so.

And Bossard in an affidavit since made by him voluntarily, and read in the Legislature by Mr. Graham, M.P.P., gives the whole plot away. The affidavit is quite lengthy, and only extracts are given here. The whole affidavit was published in the *Toronto Globe*, in March, 1901. Among other things, Bossard says:—

"That John H. Stumpf, Edward Scully and other prominent supporters of the Conservative candidate interviewed me, stating that the Conservative party would be in power and I would have to look to them for an extension of my license, and further, that Messrs. Randali & Ross, liquor merchants, and other influential Conservatives, controlled the License Board of Commissioners of said district, and could procure an extension of said license. In view of said circumstances I promised them my support with the understanding that I was openly to pretend that I was supporting the liberal candidate. They also told me to try and work in with the Grit organizers and get all the money I could out of them.

\* \* \* \* \*

"That my license was not extended at the expiration of the said two months, but was subsequently granted after the said Edward Scully paid me a visit and promised me that if I would make a certain affidavit or declaration, which I did, as to the election, and give evidence at the trial, he would, through prominent friends, get an extension of my license, which was carried out.

"That the said Stumpf and Scully individually saw me on different occasions about my evidence and instructed me what to say, and informed me that they had been told by Mr. W. D. McPherson what I had to say. They also told me the story Shantz, Bohl, Wancke and Polomski were going to swear to at the trial, and that if I told the same story and ask for the protection of the Court, I would not get into any trouble, and that if I did not I would be fined and sent to jail.

"That in consideration of my making the affidavit and giving evidence at the trial as before mentioned, the said Edward Scully and William Reid, apparently acting on behalf of the petitioner and the Conservative organization of North Waterloo, further agreed to pay me the sum of \$100. A day or two afterwards the said Scully came to me and said: '\$100 is too much. We will help you in your business and will see that you get your license, and you ought to be satisfied with \$50.' I said: 'All right.' Scully then showed me a bank cheque for \$50, signed by the proper officers of the Conservative Association, as I was informed. Scully then said: 'This check will be placed in the hands of Stumpf and held by him until after the election trial, when it will be handed over to you.'

"A few days afterwards I saw Stumpf, when he said: 'You need some clothes, and you better take that \$50 out with me in clothing.' Between the election trial and the first of April of the present year (1900), I received clothing from the said Stumpf to the extent of \$50, which has been paid for by said Stumpf as agreed."

Stumpf adopted an ingenious method to pay Bossard. He gave him clothes on three different occasions and had Bossard sign notes as follows: July 15th, 1899, for \$19.00; January 8th, 1900, for \$22.25, and March 3rd, 1900, for \$17.00—a total of \$58.25. Stumpf discounted these notes at the Bank of Commerce at Berlin, AND PAID THEM HIMSELF WHEN THEY BECAME DUE. These notes were produced in the Legislature by Mr. Graham M. P. P.

## Prosecutions in North Waterloo.

Mr. Breithaupt was unseated, and the election judges reported two men, Wildfong and Cummings, for defacing and fraudulently miscounting ballots. The decision of the judges was appealed from, but the appeal, after some delay, was dropped, and the report of the judges was presented to the Legislature in the session of 1891. Before that, and until the report of the judges was in, the Government could not be expected to take any action. Mr. Whitney, however, during that session, denounced the Attorney-General in most unmeasured terms for shielding criminals, and all that sort of thing, and staked his word and reputation on the prediction that these men would never be prosecuted. He dared the Government to take proceedings. His impatience knew no bounds. In a calm, argumentative and deliberate manner the Attorney-General, in reply, pointed out that there did not appear to be any direct evidence implicating these men, but that the judges had evidently, by a process of exclusion of others, who, in their testimony denied having any knowledge of the tampering with or miscounting of the ballots, come to the conclusion that Wildfong and Cummings should be reported in connection with the offences.

It must be borne in mind that a mere report by the judges at an election trial does not necessarily imply guilt. There have been many cases where men reported by the trial judges, have afterwards been tried for the offences reported and honorably acquitted. However, the Attorney-General indicated that in the cases of these men, Wildfong and Cummings, further proceedings should be instituted. After the session Mr. Whitney continued his ranting and ravaging, and kept on assuring the public that nothing would be done. As a matter of fact, one of the trial judges was busily engaged in the Court of Appeal then in session, and the other judge was out of the country. A postponement for a time might have enabled the trial judges to go to Berlin and hear the prosecutions. But in view of the charges which were

being hurled against the Government for delaying the prosecutions and shielding these men, and in view of the reiterated statements that the Government dare not prosecute, instructions were given to the County Crown Attorney at Berlin to institute proceedings in the ordinary way for the prosecution of these men on the charges for which they had been reported.

Proceedings were taken and all possible steps pursued to secure convictions. A witness was even brought from Alberta to give evidence. The result was, as the Attorney-General thought might be possible, there was no evidence on which Wildfong could be convicted.

The County Crown Attorney, a strong Conservative, did not even think a conviction could be asked for, and concluded to drop the Cummings case, which was the weaker of the two.

## Tried to Blacken Liberals.

In the face of all the above facts the Conservative speakers and press never cease to twist and distort the proceedings of the election trial. They assail the Ministers of the Crown and the officers of the Ontario Liberal Association falsely, insinuating that some of these were reported for election wrongdoing. At the trial Hon. E. J. Davis, Commissioner of Crown Lands, was subjected to a long examination, and the affairs of the Ontario Liberal Association were gone into at great length by the examination of Alexander Smith, then Secretary, and of the Treasurer and his books. The effort—even by purchased evidence—to prove that members of the Ontario Liberal Association were guilty of election wrongdoing in North Waterloo, or elsewhere, failed, but that does not prevent reckless and false statements to the contrary.

## West Elgin.

Mr. Macdiarmid (Con.) secured his seat at the general election of 1898 by personation. He was unseated, and in the Bye-election which followed Mr. Macnish (Liberal) was elected by 221 majority.

### Irresponsible Wrongdoers.

Unfortunately, at the bye-election, some misguided, irresponsible parties had been guilty of personating deputy returning officers and had by deceit misled the returning officer into giving them appointments which he supposed were being given to others whose names were used for the purpose.

### Prosecution of Personators of Deputy Returning Officers.

Prosecutions were begun against these parties by the Conservatives, and the County Attorney was directed by the Attorney-General's Department to give all reasonable and proper assistance in those prosecutions. Why did not the Tories who commenced these proceedings continue them and punish the wrongdoers? They had charge of the proceedings. Everyone knows that there cannot be two prosecutions for the same offence. Why did not these Tories who have been howling so loudly for the punishment of the "criminals," as they called them, push the proceedings to convictions? Because, no doubt, they found that while the law made provisions for the severe punishment of personators of voters there was no provision for the case of personating deputy returning officers. The law has since been amended to reach such cases.

### Inadvertent Destruction of Ballots.

Much has been said about the West Elgin ballots having been burned. It is true that they were burned along with the ballots of all the constituencies used in the general elections which, as the statute requires, were burned under the direction of the Clerk of the Legislative Assembly, after having been stored for a year in a vault in the basement of the Parliament Buildings. The ballots for the West Elgin bye-election were deposited in the same vault, and though they should have been detained they were, through inadvertence, destroyed with the others. Let it be remembered that it was the Clerk of the

House to destroy the ballots, and the routine of carrying out this work was gone through in the same way exactly as had been pursued in all previous cases. But, undoubtedly, the West Elgin bye-election ballots should have been kept and should not have been destroyed. When it was found that these ballots had gone with the others an investigation was immediately directed and carried out by the Deputy Attorney-General, who, after full enquiry, came to the conclusion that these ballots had been destroyed with the others by mistake.

### Commission of Judges

Again, when the Royal Commission of three judges held their investigation into the West Elgin irregularities, they made full enquiry into the circumstances connected with the burning of the ballots, and found as the result of their enquiry, "That the box with its contents was inadvertently taken with the other boxes containing the general election returns, from the vault to the furnace and there burnt" and they go on to say: "The evidence satisfies us that the said box and its contents was not destroyed with design or deliberate purpose." This conclusion was unanimously reached by the judges after an exhaustive examination of every one who could possibly have thrown any light on the matter.

Of course, it has suited Mr. Whitney's political purpose to declare that the destruction of these ballots was the result of some dark, deep conspiracy to get rid of them so that the ends of justice might be defeated.

### Points to be Remembered.

Let it be remembered that this box of West Elgin bye-election ballots had been at Osgoode Hall pursuant to order of the Court, and that the ballots had been all thoroughly scrutinized, and that while the result of the scrutiny was slightly different from the returns of the deputy returning officers, it was only slightly different, and manifestly Macnish had a very substantial majority over his opponent.

### Their Friend Pritchett.

Mr. Whitney laid great stress on statements contained in an affidavit procured from J. G. Pritchett, one of these deputy returning officers in West Elgin, and defiantly asked the Government to prosecute this man. What are the facts? A warrant had been sworn out on behalf of the Conservative Party and Pritchett fled to Detroit to evade arrest. Mr. Samuel Barker, M.P., acting as an organizer for the Conservative party, went to Detroit, and along with Mr. Fleming, a Conservative lawyer of Windsor, procured the affidavit. Pritchett has sworn that the affidavit was made to him on the condition that they would withdraw the warrant and protect him.

They had the warrant with them. It had been given to them by the Conservative constable, in whose hands it had been placed, an illegal, if not criminal, bargain had been made by these gentlemen with Pritchett. That was the method adopted to procure Pritchett's affidavit which, being sworn before some official in Detroit, rendered it impossible to prosecute him for perjury. The statements contained in the affidavit were contradicted at the investigation, and the man was characterized by the judges as a "self-convicted liar."

### False affidavit Extorted by Corrupt Bargain.

But Mr. Whitney's assumed indignation over neglect to prosecute Pritchett is the essence of insincerity, if not hypocrisy, when everyone knows that his own friends had the warrant for the man's prosecution, and that having used it to extort a false affidavit from him, they absolutely bargained that the warrant would not be proceeded upon, but that he would be protected.

### Tories Responsible for Escape from Punishment.

If Pritchett has escaped punishment, which he deserved, Mr. Whitney's friends are responsible. More than one warrant could not be issued, and they held it, and, in pursuance of their guilty

bargain with him, shielded him from prosecution. If anyone had reason to hang his head with shame in connection with the Pritchett business, it is Mr. Whitney and his prominent Tory friends.

*Let it also be remembered, that in the West Elgin investigation the evidence of the Conservative scrutineers clearly established that at these polling places where irregularly deputy returning officers acted, no tampering with the ballots could have taken place. The Tory scrutineers stoutly maintain, and have sworn, that they were on their guard and maintained too close a watch for any such thing to be possible.*

*It is clear, therefore, that whatever may have been the motives of the three or four irregularly appointed deputy returning officers, they were not allowed, as the Tory scrutineers testify, to alter the ballots, and this is beyond question proven by the result of the inspection at Orgoole Hall.*

There is, therefore, no sense or reason in all the outcry about the ballots having been burned.

### Liberal Workers.

Before the West Elgin Commission Alexander Smith testified that he had gone into the riding at the instance of the candidate, Donald Macnish, and that he was assisted by James Vance. W. T. R. Preston also testified that he was in the riding at the instance of the candidate, and mentioned the names of those he had in the riding to assist him (Preston).

After hearing the evidence under oath of many other witnesses besides those mentioned in the preceding paragraph, the Commissioners found as follows:— "The Commissioners cannot trace to these persons, or to any of them, any knowledge of the participation in the fraudulent and illegal practices hereinbefore related."

Yet after all this the Tories desire the public to believe the statements of Pritchett, the "self-convicted liar."

### Imported Experts in 1902.

From the lavish way in which cheques for \$500.00 and other large amounts were sent out from the central fund to

Tory workers in the Ontario Provincial election of 1902, the evident purpose of the Opposition was to get into power by any means whatsoever. They sought the aid of aliens and foreigners, importing them specially from New York and Buffalo.

These methods amount to almost acts of treason, for they (the Tories) secured the services of foreigners to aid them in their work of securing certain votes in each constituency. On column four, page two of the *Mail and Empire*, Toronto, Tuesday, July 15th, 1902, in the statement that "forty expert detectives were brought to Toronto from New York and Buffalo, and assigned to constituencies" from the Provincial headquarters of the Conservatives. The evident purpose of this was clear. These men could commit all sorts of election wrongs and once over in their own country could not be reached by our laws.

Two of these experts were in Lennox during the election contest, but when they were wanted to give evidence at the trial of the petition against the return of the Conservative candidate they were not on hand, even though they had been properly served with subpoenas. It was announced in Court that these aliens were in Buffalo, and, of course, the Court was powerless.

During the progress of the election one of the "forty" resided in Bowmanville. He stated that he was there in the interests of the Conservatives, and as proof of this produced a list of names of voters that he was to procure to vote for the Conservative candidate. The list fell into the hands of the Liberals, and the "expert detective" left for the United States, his home.

These experts operated in North York, and according to the evidence of T. H. Lennox, the Conservative candidate in North York, they were sent there by E. B. Osler, M. P. Mr. Lennox, on examination for discovery, testified on Nov. 29th, 1902, as follows:—

"290. Q. Did you have a couple of gentlemen from Buffalo over there? A. There were a couple of distinguished men over from Buffalo, I think."

"291. Q. How did they come to be there? A. They were sent up there by

Mr. E. B. Osler, I think—at least he was instrumental."

#### Whitney's False Alarm.

In the *Mail* of the 18th July, 1902, Mr. Whitney is reported as having said at a Conservative meeting in North York.

"He was in possession of information to show that in the ninety-eight ridings in this Province, an organized attempt had been made to steal one at least and sometimes two of the ballots in each sub-division in the respective constituencies. This was the reason that the returning officers had experienced such difficulty in summing up the results."

All this noise is for the purpose of getting the people to forget the New York and Buffalo experts. The facts are all against Mr. Whitney's reckless assertion.

#### Buffalo Experts Again.

During the bye-election in North Grey on January 7th, 1903, one of these Buffalo experts named Mulloy, who had been brought into Ontario by the Tories during the General elections of 1902, appeared in Owen Sound in North Grey and called upon leading Liberal workers claiming that he had been sent there to work on behalf of Mr. MacKay, the Liberal candidate, and demanded money. One gentleman upon whom he called, Mr. R. McMurphy, immediately went and saw Mr. William (now Judge) Hatton, who was Mr. MacKay's financial agent, and Mr. Hatton replied that the Liberals wanted no such characters in the riding, and gave orders that he was to be immediately deported, which was done. Mulloy then went to Dr. Hough, a leading Liberal in Wainfleet, in the adjoining riding of North Bruce, and represented to him that he had been sent from Owen Sound to act in conjunction with him in buying votes in North Grey and asked Dr. Hough for money. Dr. Hough refused to have anything to do with him and Mulloy left for Toronto to see his Tory employers. The whole thing was a vile plot to entrap the North Grey Liberals, but fortunately it failed.

### R. L. Borden's Organizer.

In March, 1903, just two months after this episode, Mr. A. W. Wright, Conservative organizer, went to Buffalo and procured from Mulloy, and a character named Nelson affidavits that they had been employed by the Liberals to take a gang of pluggers into North Grey, North Perth and North Norfolk. It is significant that these affidavits were sworn on March 20th, 1903, just nine days after the notorious Gamey made his charges on the floor of the Legislature. It was the intention to read these affidavits on the floor of the House as a supplement to the Gamey charges. They were not so used. Why? Because Wright in drawing up Nelson's affidavit had made the fatal mistake of putting into Nelson's mouth the statement that he had been interviewed by Alexander Smith, the Liberal organizer, in Toronto on December 28th, 1902, when Mr. Smith was not in Toronto at all. Wright took another trip to Buffalo and on April 10, 1903 (Good Friday) he had a long interview with his two chums, Nelson and Mulloy, in a saloon on Washington street. Afterwards Nelson and Mulloy offered to make an affidavit for the Liberals explaining their connection with Wright, and went to a reputable lawyer in Buffalo named John T. Ryan and give him instructions for drawing up the same. Nelson then stole the document and was arrested and found guilty. During the trial Wright sat in the Buffalo police court as the friend and adviser of these two crooks. Nelson in his evidence in the Buffalo police court attempted to square himself on his statement regarding Alexander Smith by swearing that it was Mr. James Vance and not Smith whom he had met in Toronto, and that Vance had represented himself as being Smith.

He repeated this story at the North Grey trial and Wright, when in the box, was forced to admit that he had suggested the change in Nelson's evidence. It was conclusively shown that Nelson could not have been in Owen Sound at all, and the whole story was exploded. Nelson was shown to have had a very bad Police Court record in Buffalo. The two judges, Chief Justice Moss and Mr.

Justice Street, refused to believe the story of these two crooks and they left Owen Sound on the next train accompanied by Wright. They did not even wait to hear the judgment of the court on their story. Does anyone believe that these two characters made these affidavits and went to Owen Sound to swear to their concocted story without reward? It is ridiculous to expect people to believe that they were not paid handsomely for their services.

### Purchase Evidence in North York.

On September 21st, 1904, at the trial of the North York election petition, Mr. T. H. Lennox the Tory candidate admitted that one T. J. Woodcock, a leading Tory worker in Newmarket, had paid one Hisey of Detroit \$100.00 for evidence. Hisey took the money and then refused to come to Canada to give the evidence. Lennox reluctantly admitted that he had personally gone to Detroit a few days before the trial to induce Hisey to come over, and thus connected himself with knowledge of the payment.

### WORKED FOR HEADQUARTERS

#### The "World" tells how Conservatives Win Elections.

Immediately after the Provincial General Election of 1898, the Conservative party in the Province of Ontario raised an immense protest fund, and, as subsequent events proved, much of this great sum was employed in buying evidence and in other questionable practices. As to some of the methods employed, the *Toronto World* ought to know something of the Conservative tactics, so let it speak.

#### How the Conservatives Win Elections

—The *Toronto "World"* gives some hints as to how the Tories Work.

W. F. McLean, M.P. (Conservative), proprietor of *The World*, Toronto, was a candidate for the office of Mayor of the City of Toronto in January, 1902. His opponent was O. A. Howland, ex-M.P.P., and one of the leading Conservatives of the Province. Mr. McLean was defeated, and on Wednesday morning, January 8, 1902, *The World* gave prominence to the following:—

**"The Surest Way."**

"Are you a worker in that sub-division?"

"Yes, I handle it."

"How much will it cost?"

"Two hundred dollars."

"And you will guarantee to keep the vote even for that?"

"Yes."

"All right. Here is the money. But do you see this other hundred dollar bill?"

"Yes."

"And you know this gentleman here?"

"Yes, I know him and can trust him."

"Well, I am going to give the hundred dollars to him, and if you make the majority in your division ten or better he will hand the bill to you when the count is made and the majority is shown."

"I understand, and I'll do it."

**Tory Headquarters.**

On Thursday morning, January 9, 1902, *The World* had a number of pointed articles on the methods employed to elect Mayor Howland. One of these was headed "Wholesale Demoralization." It said, "The more the voting of Monday is investigated, the more evident it is that wholesale demoralization prevailed in the polling booths. *The World* acquits Mr. Howland of it. The men who did it were agents of one of the corporations, and all Sunday and Monday they were at work spending thousands in heading off what promised to be a Waterloo. There was no such vote polled for Howland as the ballot-boxes show. John o' the East, John o' the West, (and) the old experienced bird, that has made his boast of handling St. John's Ward for thirty years or more, were all in it."

The Albany Club, King St. Toronto, the head centre of Toryism in the Province, was in favor of Mayor Howland, and here is how *The World*, of Thursday morning, January 9, 1902, refers to the nest under the heading "Professional Corruptionists":—"The public are being aroused at last to the existence in Toronto of an organized machine of professional corruptionists.

They have a nest in the centre of the city. They handle the money of corporations; their mission has been to corrupt representatives of the people and to corrupt electors; most of all to invade the one thing that ought to be sacred in our politics—the ballot-box."

Here was an opportunity for Mr. Whitney to demand of his friends, the Conservative Mayor and Conservative council of the City of Toronto, an investigation into the above charges made by one of their papers, *The World*, but he did not do so.

**Tory Ballot Box Stuffers Convicted.**

The prosecutions arising out of the Toronto Municipal Elections of 1904 proved that the proprietor of the *World* knew what he was talking about when he charged that the Albany Club harbored a nest of professional corruptionists on behalf of the Tory party. Abe Cahoon and Sam Thompson, Deputy Returning officers, and Thos. E. Kerr and John J. Durrance, Poll Clerks, were found guilty by Judge Winchester and a jury, of stuffing ballot boxes for Richardson, Tory candidate for controller, and Lieut.-Col. Gray and his son Frank were found guilty of stuffing the ballot box for Dr. Orr, Tory candidate for Board of Education.

No word of condemnation for acts of these men has yet been heard from Mr. Whitney.

**The Famous Gamey Case.**

On March 11th, 1903, R. R. Gamey, M. P. P. for Manitoulin, made some sensational charges on the floor of the Ontario Legislature against Hon. J. R. Stratton. It is not necessary to repeat the charges as they are well known to everybody. They were in short that he had been bought by Hon. Mr. Stratton to support the Ross Government by the payment of a large sum of money. After an exhaustive investigation before two Chief Justices of the High Court of Justice for Ontario, the Honorable Chancellor Boyd, and Chief Justice Falconbridge, his story was utterly exploded and his charges found disproved. It would not have required anything more

than Gamey's own evidence and his actions during the trial to stamp him as a man utterly unworthy of belief. Below are a few matters which Gamey should be asked to explain:—

1. Why did he steal the deposit slip from the bank and forge a substitute?

2. Why did he take a trip to Buffalo and remain away for several days at a most important stage of the investigation without the knowledge of Mr. S. H. Blake, K. C., his leading counsel?

3. Is it not a striking coincidence that he left for Buffalo just at the time the leaves disappeared from the Crossin Piano Company's cash book? Would a man who is capable of stealing and forging a deposit slip hesitate to remove the leaves from the cash book also?

4. Why did he tell the reporters in Buffalo that he collected the \$900.00 deposited in the Ontario Bank on Manitoulin Island during the summer and afterwards swear that he borrowed it from Frank Sullivan?

5. Why did he swear that he did not tell the reporters this, and when confronted with the newspaper reports, and the reporters themselves, admit on oath that he had said so.

6. He swore he did not speak about being Minister of Mines to Frank Sullivan in the Crossing piano factory, and W. H. Price and Percy Price, two of his own witnesses, swore that he did. Which were telling the truth?

7. If he was laying a plot to catch a Government, as he swore he was, why did he refuse to look at the man he claimed carried the money to him in the smoking room? He swore that he looked out of the window instead. Is that not a strange action for a man who was hatching a plot and collecting evidence?

8. He said in his charge in the House that three shorthand reporters took notes of his conversation with Sullivan. Two of these boys swear that they are not shorthand writers, and they all swear they took no notes.

9. He stated in the House that no one knew of his scheme and then swore in Court that he told five or six people. Which time did he tell the truth?

If he was laying a trap to catch a Government, how can he explain the

fact that he was not sure of the date upon which he claimed to have got the money? Was it not important enough to make a record of?

### "We Want to be Prepared for the Next."

An extraordinary letter from the Secretary of the Welland County Conservative Association to a Tory heeler:

"You might be able to pick up some new tricks in Toronto."

A gang of heelers imported into Welland in 1900 to defeat W. M. German, M. P.

The last Dominion general elections were held on November 7th, 1900. W. M. German, M. P., was the Liberal candidate in Welland county, and defeated Wm. McCleary by over 200 majority, notwithstanding the lavish use of money on behalf of the Tory candidate. Heelers were imported from Toronto to do the Tory crooked work, and were under the direction of the secretary of the Conservative Association for the county. He writes to one of them on November 10th, 1900, three days after the election: "I have settled with both your claimants, and everything in that line is O.K." Apparently, the gang did not do their work to the satisfaction of the local Tories, as the secretary of the Tory Association writes as follows: "You are the only man of the bunch who secured your men and did it with less money." Then they seemed to have mistrusted one of the gang named Ireland, and the secretary writes: "Ireland might have been playing the double-cross. The Maj. claims he told him everything. I think I will feel Eddie — you do the same with Ireland."

This letter was written on November 10th, 1900, three days after the Dominion general election. The election of Mr. German had created a vacancy in the Ontario Legislature, and a bye-election had to be held. That is what the secretary meant when he said: "You might be able to pick up some new tricks in Toronto. We want to be prepared for the next."

Following is a copy of the letter:

WELLAND COUNTY  
LIBERAL - CONSERVATIVE  
ASSOCIATION.  
686  
C. R. T. SAWLE, - SECRETARY.

Welland, Ont., November 10, 1900.

H. A. Rose, Esq.,  
Toronto.

Dear Hugh,—

Your note received. I have settled with both your claimants and everything in that line is O.K. In a few days the finances will be straightened out and I will have Col. Raymond forward you your expenses.

We expect to have another contest on here in a few months and then we will require your assistance again, and if I have anything to do with it the town end will be managed differently. I have pointed out to the local big guns that you are the only man of the bunch who secured your men and did it with less money. They are satisfied I am right.

Eddie was telling Sears last night a little story which leads me to believe Ireland might have been playing the double cross. The Maj. claims he told him everything. I think I will feel Eddie and see if he will give up any of his guts to me. You do the same with Ireland.

I am now preparing lists of every Con. in town who voted for us. You might be able to pick up some new tricks in Toronto. We want to be prepared for the next.

Yours truly,

C. R. T. Sawle.

## CHAPTER XXV.

### A LAST WORD.

#### DO NOT FORGET WHAT THE LIBERALS HAVE ACCOMPLISHED.

##### Canada a Leader.

In these days of plenty and prosperity the people should not forget the causes that have to do with the promotion and maintenance of good times, and should not forget their duty to themselves in seeing that nothing is done to interfere with a political party that in a brief administration has made the Dominion of Canada the leader of every other nation on the earth in the matter of the percentage of increase in its trade.

The people of Canada are respectfully asked not to forget that percentage of taxation has been reduced thirteen per cent. by the Liberal Government.

DO NOT FORGET that despite this reduction in taxation the national debt has remained practically stationary.

DO NOT FORGET that from 1896 to 1903, under the Liberal Government, the trade of Canada has increased from \$239,025,360 to \$467,064,685.

DO NOT FORGET that in the eighteen years of Conservative rule this trade increased only \$66,000,000, and that in the seven years of Liberal rule it increased \$228,000,000.

DO NOT FORGET that the exports of Canada increased during the Conservative regime of eighteen years by only forty-two million dollars, and that they increased during the Liberal regime of seven years by one hundred and four million dollars.

DO NOT FORGET that the circulation of bank and Dominion notes increased during the eighteen years of Conservative rule by less than \$21,000,000, and increased in the seven years of Liberal rule by over \$47,000,000.

DO NOT FORGET that the country has been so prosperous under the Liberals that the assets of banks increased in the seven years of Liberal rule by \$325,862,-666, and increased during the eighteen

years of Conservative rule by only \$140,-649,622.

DO NOT FORGET that the Liberal Government found a deficit of \$781,142 in the Post Office Department, and have turned this deficit into a surplus of \$292,-702, while at the same time reducing the domestic postage rate from three cents to two cents, inaugurating penny postage to Britain, and increasing the number of post offices and the pay of country post-masters.

DO NOT FORGET that the Preferential treatment given by the Liberal Government to Britain has been the means of causing an agitation in Britain for granting Canada and the other colonies preferential treatment in the British market.

DO NOT FORGET that the manufacturers of Canada are so busy that they cannot supply the demands made upon them, and that their agitation for a higher tariff which the Conservatives endorse has but one object, viz., to permit them to charge the consumer higher prices.

DO NOT FORGET that in 1896, the last year of Conservative administration, the total immigration was only 16,835, and that in the fiscal year 1902-3, under the Liberals the immigration was 128,364.

DO NOT FORGET that in 1896, the last year of the Conservatives, the homestead entries in the West were only 1,888, and that in 1902-3, under the Liberals, they were 31,383.

DO NOT FORGET that in 1896, farm lands in the West were selling at from \$1 to \$2 per acre; and that now they are selling at from \$6 to \$20 per acre.

DO NOT FORGET that the Conservatives tied up the West with the C. P. R., and forced the settlers to farm on shares with that railway corporation; that the Liberal Government have been providing relief for the farmer by subsidizing other railways, which, however, get no land

grants and no exemption from taxation, and which have to submit to Government control of their freight rates; and that the relief afforded the farmer is equivalent to more than enough to pay for the binding and threshing of his crops.

DO NOT FORGET that the Liberal Government have entered test cases in the courts to get an early decision as to when the C. P. R. tax exemption ends; and as to when the Government shall have control of C. P. R. freight rates.

DO NOT FORGET that the Liberal Government is bringing into the West a powerful competing railway, the Grand Trunk, which will force down railway rates. It is under Government control. This railway was bitterly opposed by the Conservatives.

DO NOT FORGET that the railway proposition of the leader of the Conservatives, Mr. Borden, was to buy up the most expensive and unproductive parts of the C. P. R.; that this scheme would open up no new country for colonization; would not increase the country's transportation facilities at all; but would simply mean the paying of millions of the people's money to the C. P. R. for the privilege of taking an unproductive portion of its railway line off its hands.

DO NOT FORGET that the Liberal railway policy opens up vast areas of new country, agricultural, mineral and forest lands; that it greatly increases the transportation facilities of the country; and that the money expended upon it will go into the pockets of the people, provide work for new settlers, and add to the general prosperity.

DO NOT FORGET the grain legislation passed by the Liberal Government to rescue the settlers of the West from the monopoly fastened upon them by the Conservatives.

DO NOT FORGET that the grant to the Government of the North-west Ter-

ritories is over a million dollars this year; that the Dominion is constructing bridges and other public works in the West, and further surveying its vast areas.

DO NOT FORGET that the land laws have been amended and administered by the Liberals in order that the settler be helped in every way possible.

DO NOT FORGET that the Conservatives had two rebellions in the Northwest on account of their bad administration of Western affairs.

DO NOT FORGET that the Government took effective steps to establish the dairy business in the West.

DO NOT FORGET that the land in the West has been kept for the settler, and a stop put to the Conservative policy of giving it away to railways and other corporations.

DO NOT FORGET that the Government has passed legislation to establish a Railway Commission which will control railway rates and prevent discrimination.

DO NOT FORGET that the Government has appointed an inspector of binder twine to protect the farmer against short and inferior twine.

DO NOT FORGET that the Government secured the abolition of the cattle quarantine maintained by the United States, and that during the four and a half years the quarantine was in operation, Canadians exported to the United States only \$52,606 worth of cattle, while in the four and a half years succeeding the abolition, the sales totalled \$5,329,516.

DO NOT FORGET that the Liberal Government has spared no efforts to promote the interests of the farmer.

DO NOT FORGET the lean years of the Conservative regime, and the years of plenty and prosperity under Liberals.

DO NOT FORGET to vote for a continuance of the fat years by marking your ballot for a supporter of the Liberal Government.

## THE TWO POLICIES, WHICH SHALL IT BE? A STRIKING COMPARISON.

Sir Richard Cartwright on the Subject.

As Sir Richard Cartwright has so ably put it:

Again the two policies are before the people of Canada to choose which they will have. The

policy of the Conservative party is a policy of high tariff and low revenue, a policy which was tried and found wanting during a matter of 18 years, under which we lost a million of the best

of our own people and another million of immigrants, who ought to have settled on our shores, a policy of degradation and a policy of stagnation.

### The New Canada Under Liberal Rule.

Hon. W. D. Fielding:—Last year I reminded my hon. friend, as I must do again, that he fails to realize the great change that has been brought about in this country. The Canada of to-day is not the Canada of 1896. The Canada of 1896 would hardly be recognized by people who look upon the new Canada that has grown up under a Liberal administration. Why, in 1896, in every part of this Dominion, there was a condition—shall I say of depression? That is too strong a word. There was a condition of discouragement, the people were not satisfied with their condition under the advantages which hon. gentlemen alleged they gave them as a consequence of their policy. It must be said that the condition of Canada in 1896, under the Conservative party was not a satisfactory one. Some progress, indeed, had been made; you cannot prevent a country like this from making some progress; but it was very small. Take a few items, they are not new, they have been given before, but they are never old. The Canada that he speaks of, the Canada of 1896, which he used for a comparison, had a total trade of \$239,000,000; the new Canada which has grown up under the Liberal administration has a total trade of \$470,000,000. The Canada of that date had deposits in the savings banks and chartered banks of \$183,000,000; the new Canada of to-day has deposits of \$423,000,000. We might go through all the items of trade and commerce. I have dealt with them before, but I ask my hon. friend, in making these comparisons, to remember that the Canada of 1896 was a vastly different country from the country of to-day. This government have recognized the changing conditions; and I have no doubt the legislation which we have introduced has in some degree—in how large a degree may be a matter of debate—but it has in some considerable degree been one of the instrumentalities by which this greater progress has been made. My hon. friend must remember that in making these comparisons he shuts his eyes to the old condition as compared with the

new. He must remember that under a Liberal administration Canada has made enormous progress, and if we have expended these moneys we have expended them to the advantage and development of the country, we have expended them also for reasons that will commend themselves to sound financiers. If hon. gentlemen opposite spent little money, they spent more than they had and ran into debt; the lesser sum that they spent was extravagance; the more that we spend is economy, because we have lived within our means.

### The Story of Liberal Successes.

#### Sir Richard Cartwright:

Sir, I think could our opponents have shown such a record as I have had the honor to submit to you to-night, or anything remotely approaching it, the welkin would have rung from one end of Canada to the other with praise and applause for the Administration that brought about such results, and in this regard, though in this only, you may take a lesson from the example of your adversaries. (Applause.)

### Seven More Prosperous Years.

Now, I ask you not to credit the assertions of our enemies, I ask you to be loyal and true in the future as in the past to your own party. And in that event, with the blessing of Providence, I believe that even if there be some temporary checks, some unexpected hindrances, nay, even some unavoidable disasters, the record of the next seven years will equal and perhaps very considerably surpass the record which I have displayed before you to-night. I trust that before that time expires you will see your prosperity assured, your position recognized, the perils of the future cleared away from your path. Sir, I may not be there to see. My political career, of necessity, is drawing very near to an end. I am too badly crippled to carry the fiery cross from one end of Ontario to the other any longer. That task must fall to younger men, but I hope and trust that the good work which has begun will not be stopped midway. I hope that what you have seen is only a foretaste of what you are likely to see if you are true to Canada and Canada is true to itself.

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### THE LIBERAL GOVERNMENT

have developed the country.  
have opened up the Yukon.  
have exploited its natural resources.  
have promoted trade and commerce.  
have reduced taxation.  
have increased the revenue.  
have had substantial surpluses.  
have facilitated transportation.  
have shown a wise economy.  
have made a success of its immigration policy.  
have produced a healthy Imperial sentiment.  
have widened the market for Canadian Bonds.  
have reformed the Customs service.  
have legislated wisely for the farmer.  
have legislated beneficially for the workingman.  
have aided in great railway undertakings.  
have materially aided navigation.  
have built up Canada for the Canadians

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